

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, in her official capacity as	§	
Secretary of the Treasury, et al.,	§	
	§	
Defendants.	§	
	§	

**DECLARATION OF JEFFREY M. WHITE IN SUPPORT OF
PLAINTIFFS' COMBINED RESPONSE TO DEFENDANTS'
MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

I, Jeffrey M. White, hereby declare as follows:

1. I am over 18 years of age and am fully competent to make this declaration. I am Special Counsel in the Special Litigation Unit at the Office of the Attorney General of Texas, I am admitted to practice law in this Court, and I represent the State of Texas in the above-captioned matter. I submit this Declaration in support of Plaintiffs' Combined Response to Defendants' Motion to Dismiss and Motion for Partial Summary Judgment. I have personal knowledge of the facts stated herein.

2. Appended to Plaintiffs' Combined Response to Defendants' Motion to Dismiss and Motion for Partial Summary Judgment are the following exhibits:

Ex. No.	Title
1	The December 2020 – January 2021 issue of Fiscal Notes, published by Texas Comptroller of Public Accounts Glenn Hegar, which is publicly available at

	https://comptroller.texas.gov/economy/fiscal-notes/2021/jan/docs/fn.pdf .
2	The First Quarter 2021 issue of Southwest Economy, published by the Federal Reserve Bank of Dallas, which is publicly available at https://www.dallasfed.org/~media/documents/research/swe/2021/swe2101.pdf .
3	The January 2021 Biennial Revenue Estimate for the 2022 – 2023 Biennium for the 87th Texas Legislature, published by Texas Comptroller of Public Accounts Glenn Hegar, which is publicly available at https://comptroller.texas.gov/transparency/reports/biennial-revenue-estimate/2022-23/docs/96-402-BRE-2022-2023.pdf .
4	The U.S. Department of Treasury’s publication titled “Allocation for States,” which is publicly available at https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-statefunding1-508A.pdf .
5	Excerpts from S.B. No. 1, General Appropriations Act, Eighty-seventh Legislature, which is publicly available at https://webservices.sos.state.tx.us/legbills/files/RS87/SB1.pdf .
6	The FY 21-22 Total Budget Summary for Louisiana prepared by the House Fiscal Division, which is publicly available at https://house.louisiana.gov/housefiscal/DOCS_APP_BDGT_MEETINGS/DOCS_APPBudgetMeetings2021/FY%202022%20State%20Budget%20Summary.pdf .
7	The March 16, 2021 Letter from twenty-one State Attorneys General to Secretary Janet L. Yellen, which is publicly available at https://ag.ky.gov/Press%20Release%20Attachments/Yellen%20Letter%203-16%20FINAL.pdf and https://www.oag.ok.gov/sites/g/files/gmc766/f/yellen_letter_3-16_final.pdf .
8	The March 23, 2021 Letter from Secretary Janet L. Yellen to Mark Brnovich and twenty other State Attorneys General, which is publicly available at https://home.treasury.gov/system/files/136/Response-to-State-Attorneys-General-Inquiries-on-Implementation-of-Section-9901-of-the-ARP-Act.pdf .
9	H.B. No. 1195, which is publicly available at https://webservices.sos.state.tx.us/legbills/files/RS87/HB1195.pdf .

10	The Fiscal Note for HB1195 published by the Legislative Budget Board, which is publicly available at https://capitol.texas.gov/tlodocs/87R/fiscalnotes/pdf/HB01195F.pdf .
11	S.B. No. 313, which is publicly available at https://webservices.sos.state.tx.us/legbills/files/RS87/SB313.pdf .
12	The Fiscal Note for SB313 published by the Legislative Budget Board, which is publicly available at https://capitol.texas.gov/tlodocs/87R/fiscalnotes/pdf/SB00313F.pdf .
13	S.B. No. 609, which is publicly available at https://webservices.sos.state.tx.us/legbills/files/RS87/SB609.pdf .
14	The Fiscal Note for SB609 published by the Legislative Budget Board, which is publicly available at https://capitol.texas.gov/tlodocs/87R/fiscalnotes/pdf/SB00609S.pdf .
15	S.B. No. 938, which is publicly available at https://webservices.sos.state.tx.us/legbills/files/RS87/SB938.pdf .
16	The Fiscal Note for SB938 published by the Legislative Budget Board, which is publicly available at https://capitol.texas.gov/tlodocs/87R/fiscalnotes/pdf/SB00938E.pdf .
17	S.B. No. 1524, which is publicly available at https://webservices.sos.state.tx.us/legbills/files/RS87/SB1524.pdf .
18	The Fiscal Note for SB1524 published by the Legislative Budget Board, which is publicly available at https://capitol.texas.gov/tlodocs/87R/fiscalnotes/pdf/SB01524E.pdf .
19	The July 7, 2021 Proclamation by the Governor of the State of Texas calling an extraordinary session of the 87th Legislature, which is publicly available at https://lrl.texas.gov/scanned/govdocs/Greg%20Abbott/2021/proc07072021.pdf .
20	The August 5, 2021 Proclamation by the Governor of the State of Texas calling an extraordinary session of the 87th Legislature, which is publicly available at

	https://lrl.texas.gov/scanned/govdocs/Greg%20Abbott/2021/proc08052021.pdf .
21	S.B. No. 12, which is publicly available at https://capitol.texas.gov/tlodocs/872/billtext/pdf/SB00012F.pdf .
22	The Fiscal Note for SB12 published by the Legislative Budget Board, which is publicly available at https://capitol.texas.gov/tlodocs/872/fiscalnotes/pdf/SB00012F.pdf .
23	Act No. 134, which is publicly available at https://www.legis.la.gov/legis/ViewDocument.aspx?d=1235025 .
24	Excerpts from the Official Journal of the Senate of the State of Louisiana – Thirty-Fourth Day’s Proceedings, which is publicly available at https://senate.la.gov/Journals/2021/RS/21RS%20-%20SJ%200610%2034.PDF .
25	Excerpts from Webster’s New World College Dictionary (5th ed. 2016).

3. The exhibits listed above are true and correct copies of what they purport to be.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed on September 27, 2021

/s/ Jeffrey M. White
Jeffrey M. White

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**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
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DECLARATION OF JEFFREY M. WHITE

December 2020 - January 2021 Fiscal Notes – Weathering the Pandemic – Texas Industries and
COVID-19

EXHIBIT A-1



DECEMBER 2020 - JANUARY 2021

FISCAL NOTES

STATE REVENUE WATCH

15

A REVIEW OF THE TEXAS ECONOMY FROM THE OFFICE OF **GLENN HEGAR**, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

WEATHERING THE PANDEMIC

TEXAS INDUSTRIES AND COVID-19

By Olga Garza, TJ Costello, Jessica Donald,
Peggy Fikac, David Green, Spencer Grubbs,
Shannon Halbrook and Lisa Minton



To slow the spread of COVID-19 last spring, schools, businesses and sports venues began closing across Texas and the rest of the nation. Texans prepared as if for a hurricane rather than a year-long event that would upend businesses and their everyday lives.

After a spike in July, new cases fell off dramatically in August and September only to mount again in late

fall. By Jan. 11, 2021, the Texas Department of State Health Services had confirmed more than 1.7 million COVID-19 cases in the state — and nearly 30,000 deaths from the disease.

But the pandemic isn't only a health crisis; it's an economic crisis that continues to wreak havoc on both

CONTINUED ON PAGE 3

Editor's Note: Details of the new federal stimulus legislation were emerging as we went to press. The Comptroller's office is monitoring the impact of the new stimulus package and its effect on Texas industries.

A Message from the Comptroller



As I write this, a truly disastrous year has just ended. According to Johns Hopkins University, about 1.8 million people have died due to COVID-19, nearly 375,000 of them in the U.S. Almost 30,000 Texans have succumbed to the disease.

Yet the devastation stretched well beyond this awful record. Many lost their jobs or saw their education disrupted. Lockdowns and layoffs altered consumer behavior radically. Thousands of businesses were forced to close — or to change.

We've looked at aspects of the coronavirus crisis in previous issues of *Fiscal Notes*. In this special issue, we examine how the pandemic hit some Texas industries that found themselves at the center of the year's disruptions.

Leisure and hospitality — including restaurants, bars, hotels and motels and recreational facilities and events, among others — experienced some of the most traumatic changes. Many businesses were forced to shut down for extended periods; even when they reopened, many customers stayed home. Some restaurants pivoted successfully to an emphasis on takeout and curbside pickup, but thousands closed their doors for good.

Retail sales evolved rapidly during the pandemic. Online sales continue to grow in importance and helped keep revenues coming in for large retailers, but smaller companies often are struggling to meet payrolls and lease payments.

Texas is home to two of the world's largest airlines — Southwest and American — and some of the nation's busiest airports. Air travel has been a large and high-paying employer for our state. But travel limitations and fear of the virus have sent airline revenues plummeting. 2020 will go down in the records as a "lost year" for air travel, although bookings for later in 2021 give some room for optimism.

Texas hospitals have had different troubles. Unprecedented demand for emergency services strained their resources enormously, while a decline in non-emergency procedures and an increase in the number of uninsured patients dented their finances.

It's been a very difficult year, not just for these industries but for all of us. But Texans have seen tough times before, and have repeatedly demonstrated their ability to find new ways to succeed and thrive.

I know you'll join me in hoping that 2021 is the beginning of a comeback for our state.

GLENN HEGAR

Texas Comptroller of Public Accounts

Note: This report contains estimates and projections that are based on available information, assumptions and estimates as of the date of the forecasts upon which they are based. Assumptions involve judgments about future economic and market conditions and events that are difficult to predict. Actual results could differ from those predicted, and the difference could be material.

If you would like to receive paper copies of *Fiscal Notes*, contact us at fiscal.notes@cpa.texas.gov

WEATHERING THE PANDEMIC

CONTINUED FROM PAGE 1

small firms and major industries. Closures, quarantines and other restrictions come with significant fiscal implications and, despite its strong and diverse economy, Texas isn't immune to the uncertainties of this unprecedented situation.

All Texas industry sectors have been affected by the pandemic to some degree, but some have struggled more than others, raising concerns over what some have called a "K-shaped recovery" — one in which different sectors, industries and employee groups fare differently, some recovering and others remaining in recession. In this special issue of *Fiscal Notes*, we take a closer look at some of the industries most affected by the pandemic: leisure and hospitality providers, restaurants and bars, retailers, passenger airlines and hospitals.

EMPLOYMENT CHANGES DURING THE PANDEMIC

Initial job losses due to COVID-19 were staggering. Between February and April 2020, the U.S. lost 22.2 million jobs, more than 1.4 million of them in Texas. Texas' unemployment rate spiked at 13.5 percent in April 2020, up from 3.5 percent just two months earlier. By November, nearly 1.2 million Texans remained unemployed (**Exhibit 1**).

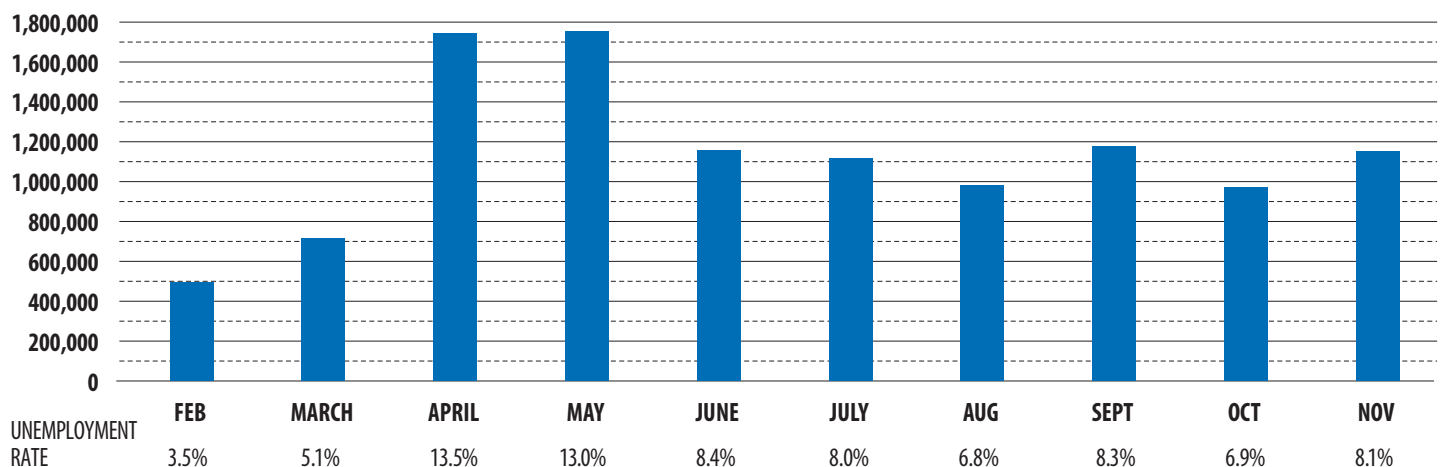
THE STEEPEST DROP

The "steepest and fastest drop in Texas economic activity in modern history" — that's the Federal Reserve Bank of Dallas' description of the pandemic's effects. This crisis is unique compared to previous downturns, adversely singling out certain sectors and making the economic effects and recovery process uneven and hard to predict. Sales tax collections, buoyed by retail sales, have declined moderately, but other affected industries have suffered much more. As of December 2020, the effects were still evident in some major taxes:

- **Sales tax** — \$2.86 billion, down 5.0% from December 2019
- **Oil production tax** — \$197 million, down 45.5%
- **Natural gas production tax** — \$86 million, down 25.0%
- **Alcoholic beverage taxes** — \$84 million, down 28.5%
- **Hotel occupancy tax** — \$26 million, down 48.5%

EXHIBIT 1

TEXAS UNEMPLOYMENT, FEBRUARY-NOVEMBER 2020
(SEASONALLY ADJUSTED)



Source: Comptroller analysis of data from the Texas Workforce Commission

WEATHERING THE PANDEMIC

From mid-March through Jan. 2, 2021, Texans filed more than 4.1 million initial claims for unemployment insurance, 300,000 in the week ending April 4 alone. These have fallen significantly, but remain historically elevated.

The number of *continued* unemployment claims, which reflects those receiving benefits after an initial claim, peaked in Texas at 1.4 million in the week ending May 23, remained above 1 million through the week ending Aug. 29 and totaled 368,223 for the week ending Dec. 26.

Low-wage workers, disproportionately employed in service industries, bore the brunt of job losses. Many of these workers are women and minorities; in 2019, for instance, 58.7 percent of U.S. hotel and motel employees were women and 58.6 percent were members of ethnic minorities, according to the U.S. Bureau of Labor Statistics. Opportunity Insights, a Harvard-based research and policy institute, found that employment among Texans making less than \$27,000 per year fell by 17 percent from January through Oct. 22, 2020. Employment for middle-wage workers (\$27,000 to \$60,000 per year) declined by just

Employment among Texans making less than \$27,000 per year fell by 17 percent from January through Oct. 22, 2020.

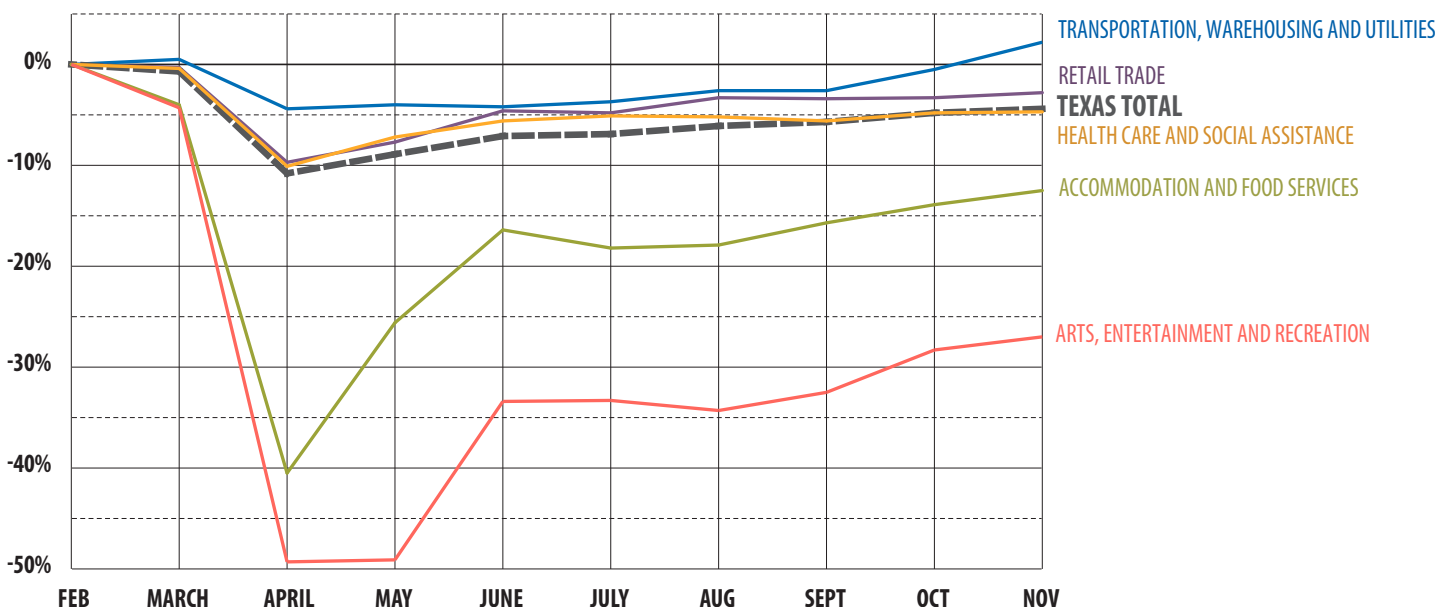
3.6 percent; for workers earning more than \$60,000, employment actually rose, though only slightly (0.5 percent).

HARDEST-HIT INDUSTRIES

A September analysis of federal labor data by the *Washington Post* found that nine out of the 10 U.S. industries with the biggest job losses during the pandemic were service providers, including hotels, performing arts venues and restaurants. Texas Workforce Commission data indicate employment in the arts, entertainment and recreation fell by *nearly half* from February to April 2020, and remained 27 percent lower in November (**Exhibit 2**). Employment at hotels, restaurants and bars fell by 12.5 percent during this period.

EXHIBIT 2

PERCENT CHANGE IN TEXAS NONFARM EMPLOYMENT, SELECTED INDUSTRIES, FEBRUARY-NOVEMBER 2020
(SEASONALLY ADJUSTED)



Source: Comptroller analysis of data from the Texas Workforce Commission

Among these industries, the most significant shared characteristic is their inherent necessity to operate in close quarters with their customers; their profitability typically depends on face-to-face encounters or crowds, from restaurants to sports arenas. In addition, some businesses have been affected by the lack of consumer confidence and by a concern for individual health and safety. Many sectors are financially fragile, with little cash on hand to weather an economic downturn.

LEISURE AND HOSPITALITY

According to the federal government's industrial classification scheme, leisure and hospitality is a "supersector," a wide-ranging category including restaurants, bars, hotels, tourism, performing arts, sporting events, amusement parks, gyms and other enterprises. The supersector includes two sectors, arts, entertainment and recreation and accommodation and food services. The latter, in turn, is divided into two subsectors, accommodation and food services and drinking places — or, in other words, restaurants and bars.

No part of the state economy was injured more deeply by the pandemic than these industries. For the past several decades, leisure and hospitality jobs have comprised an increasing share of Texas' employment base, accounting for 10.9 percent of the state's total

jobs in 2019. Between 2010 and 2019, employment growth in this sector outpaced statewide gains, rising by an annual average of 3.7 percent versus 2.4 percent for all Texas jobs (**Exhibit 3**). Restaurants and bars led employment growth, adding jobs at an average 3.8 percent per year.

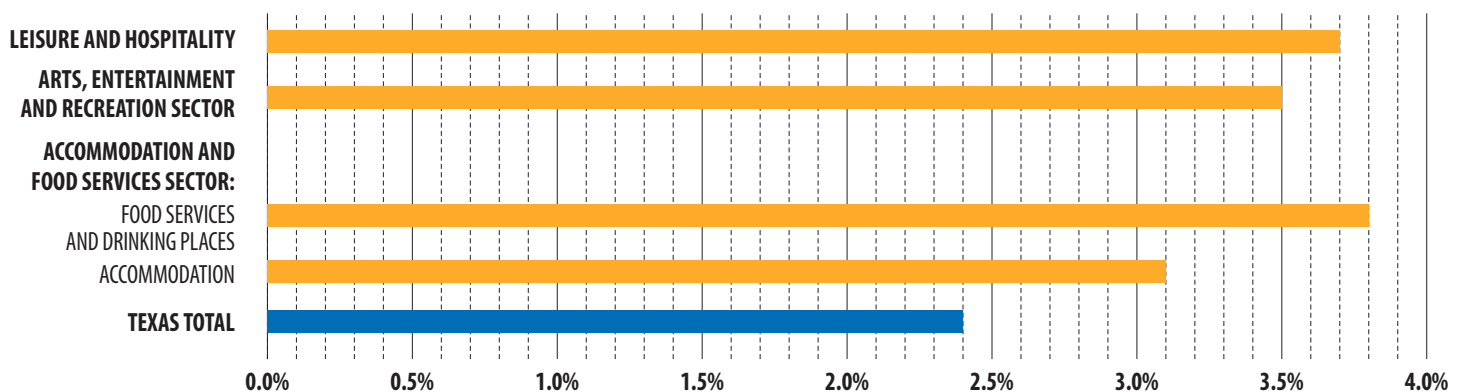
But then the pandemic arrived. In November 2020, Texas leisure and hospitality employment was down by 13 percent from the same month in the previous year, a loss of 181,800 jobs and 37.2 percent of *all* Texas job losses during this period. Restaurants and bars suffered the heaviest total losses, falling by 10.1 percent or 112,500 jobs. Employment in the arts, entertainment and recreation industries experienced the greatest percentage decline at 29.6 percent or 42,800 jobs.

After a rebound in May and June, sector employment growth had improved only modestly through November (**Exhibit 4**).

The contribution of the arts, entertainment, recreation, accommodation and food services — a group defined by the U.S. Bureau of Economic Analysis — to the Texas gross state product (GSP) also slumped. In 2019, these industries contributed \$63.5 billion to the Texas economy, or 3.4 percent of the state's \$1.84 trillion GSP. Between the first and second quarters of 2020, their combined Texas GSP fell by more than \$19 billion or 32 percent.

EXHIBIT 3

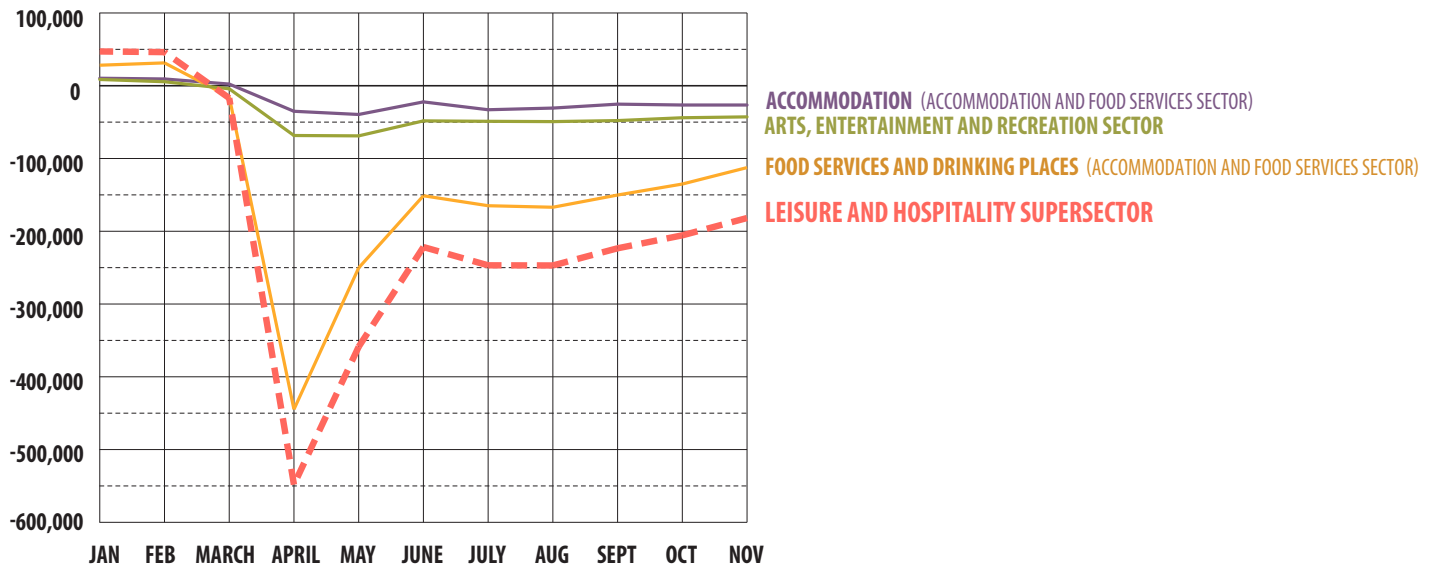
TEXAS LEISURE AND HOSPITALITY SUPERSECTOR, ANNUAL NONFARM EMPLOYMENT CHANGE, 2010-2019



Source: Comptroller analysis of data from the Texas Workforce Commission

WEATHERING THE PANDEMIC

EXHIBIT 4

TEXAS LEISURE AND HOSPITALITY INDUSTRIES, YEAR-OVER-YEAR EMPLOYMENT CHANGE, 2019 VS. 2020
(NOT SEASONALLY ADJUSTED)

Source: Comptroller analysis of data from the Texas Workforce Commission

Total output in the arts, entertainment and recreation industries declined by *more than half* (**Exhibit 5**).

Opportunity Insights' data describe the impacts on the sector in Texas:

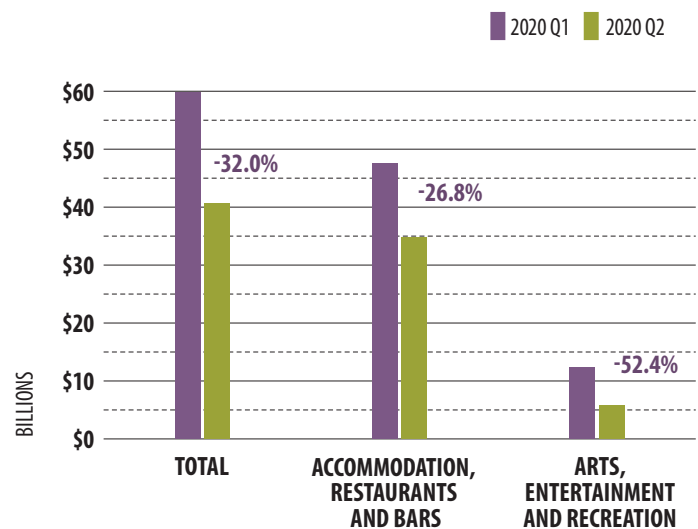
- small business revenue in leisure and hospitality fell by 74.3 percent between January and Dec. 30, 2020, versus a 39.1 percent decline for all small businesses.
- the number of small businesses open fell by 57.7 percent during this period, versus a 31.5 percent decline for all small businesses.
- compared to January 2020, consumer spending at Texas restaurants and hotels was down 11.8 percent for the week ending Dec. 6, and down 45.6 percent at entertainment and recreation sites; total consumer spending fell by just 1.0 percent in this period.

ACCOMMODATION

The accommodation industry includes businesses that provide overnight and short-term lodging for travelers. It plays a significant role in our economy by

EXHIBIT 5

TEXAS ARTS, ENTERTAINMENT, RECREATION, ACCOMMODATION AND FOOD SERVICES INDUSTRIES, GROSS STATE PRODUCT BY QUARTER, 2020



Source: Comptroller analysis of data from the U.S. Bureau of Economic Analysis

supporting tourism and hosting meetings and events. The sharp reduction in travel caused by the pandemic has forced many businesses in the accommodation industry to consider taking drastic steps to stay above water.

In Texas, most hotel and motel employees earn considerably less than \$45,000 annually; the industry's top three occupations earn an average of less than \$25,000 a year (**Exhibit 6**). This is an economically high-risk group; among maids and housekeeping employees, nearly 55 percent are between the ages of 34 and 55 and almost 79 percent have only a high school degree or less.

In 2019, the accommodation industry contributed an estimated \$9.4 billion to Texas GSP (**Exhibit 7**);

this contribution showed a 5 percent compound annual growth rate between 2010 and 2019, slightly higher than the rate for all Texas industries.

As of November 2020, Texas' accommodation industry had lost 26,500 jobs in a year, a 19.5 percent decline. In April, the American Hotel and Lodging Association estimated that more than 296,000 Texas jobs directly and indirectly related to lodging were endangered by travel restrictions.

According to Justin Bragiel, general counsel for the Texas Hotel and Lodging Association, the statewide hotel occupancy rate in November 2020 was at about 36 percent, 30 percent below average for that time of year. He cites examples of hotels that have created alternative revenue streams to help relieve financial pressures, such as leasing rooms for use as office space or contracting with local governments to provide quarantine space for COVID-positive employees.

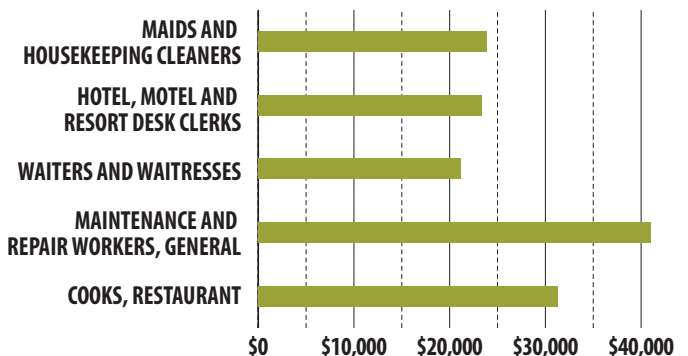
"We believe difficult economic conditions will continue through 2021, [but] we're hopeful that the development and deployment of a successful vaccine will allow more travelers to return to normal conditions in late 2021 and beyond," Bragiel says.



JUSTIN BRAGIEL
GENERAL COUNSEL, TEXAS
HOTEL AND LODGING
ASSOCIATION

EXHIBIT 6

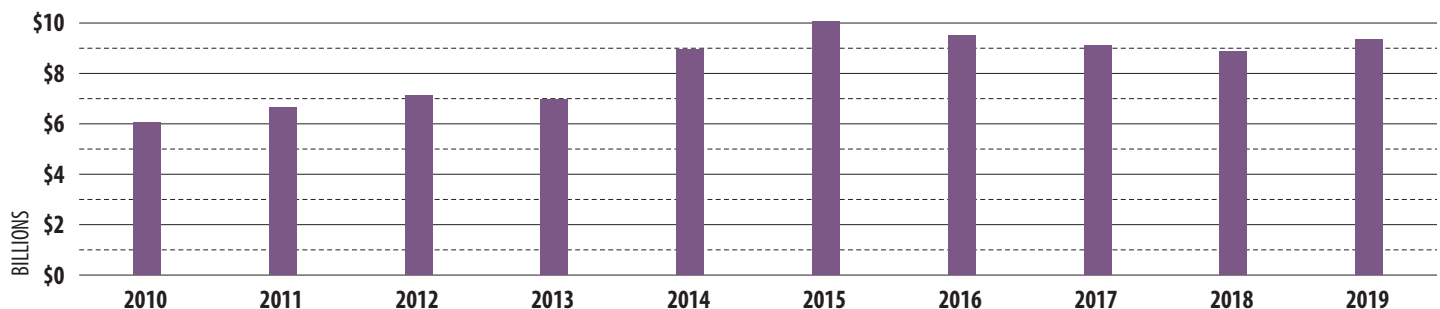
TOP OCCUPATIONS AND WAGES IN THE TEXAS ACCOMMODATION INDUSTRY, 2019



Source: JobsEQ

EXHIBIT 7

TEXAS ACCOMMODATION INDUSTRY, CONTRIBUTIONS TO TEXAS GROSS STATE PRODUCT, 2019



Source: U.S. Bureau of Economic Analysis

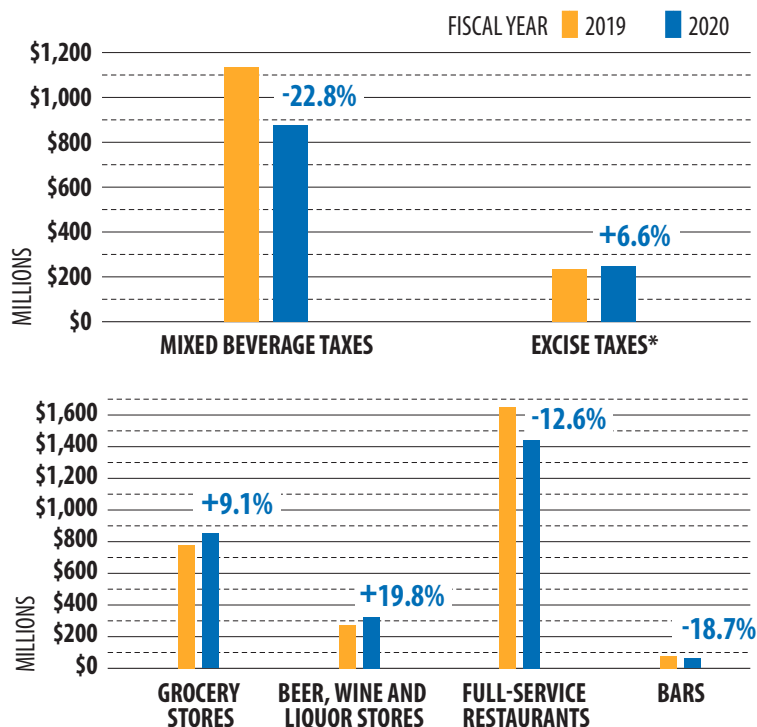
WEATHERING THE PANDEMIC

TEXAS ALCOHOLIC BEVERAGE INDUSTRY

Large-scale beer, wine and liquor companies are showing strong year-over-year growth in the economic downturn, thanks to increased sales at grocery and liquor stores. Alcohol sales at restaurants and bars, where the mixed beverage tax is levied, have plunged due to social distancing (**Exhibit 8**). Craft breweries, distilleries and wineries, whose business models rely heavily on taprooms, tours and tasting rooms, also have seen significant sales declines.

EXHIBIT 8

RECENT TRENDS IN TEXAS ALCOHOL TAXATION



* State taxes levied by volume on alcoholic beverages.

Source: Texas Comptroller of Public Accounts

The Brewers Association reports that Texas ranks third in the nation for the economic impact of its craft breweries. In April, a Texas Craft Brewers Guild survey showed that its members had seen a 71 percent decline in revenue since COVID-19 restrictions began. While nearly 90 percent of these breweries have shifted at least in part to beer to go, the industry still relies heavily on in-person patronage at its taprooms.

Texas wineries also rely heavily on foot traffic; wineries in the Texas Hill Country alone claimed more than a million visitors annually before the pandemic. Pandemic restrictions on tasting rooms pose a significant hurdle for the industry.

For more on how wineries, distillers and craft brewers are coping with the pandemic, see this month's *Line Items* feature at **FiscalNotes.org**.

RESTAURANTS AND BARS

In June, the National Restaurant Association estimated U.S. sales losses of \$240 billion by the end of 2020. According to Open Table, the online restaurant-reservation service, reservations in Texas as of Nov. 6 were down by 25 percent from a year ago.

According to the Texas Restaurant Association (TRA), restaurants represented 51 percent of Texas' food spending before the pandemic. They're critical to the food supply chain, which includes farmers and ranchers, alcohol manufacturers, food distributors and trucking companies.

In the industry, the economic pain of the pandemic hasn't been distributed equally, although most have suffered. Large chain restaurants in particular are often better equipped to adjust; many employ models that fit well with pandemic restrictions, such as drive-throughs, carry-out and delivery. Dine-in restaurants, by contrast, often can't exceed 50 percent capacity due to social distancing restrictions. Large chains may also enjoy greater leverage on loan payments, royalty payments and lease terms. TRA estimates that 70 percent of Texas restaurants are independent operators that often lack access to these resources.

These advantages are reflected in recent company results. McDonald's, for instance, posted its best September sales in nearly a decade. By contrast, the review site Yelp reported that three-quarters of the 22,000 U.S. restaurant closures between March 1 and Sept. 10 represented companies with fewer than five locations.

During the pandemic, restaurants have found new ways to support this ecosystem — and their own bottom lines. With the state's permission and cooperation, many began selling bulk retail items directly to the public, boosting revenue while alleviating gaps in the supply chain. Restaurants also are embracing new product ideas such as family meal boxes and to-go alcohol orders, and

In September, the Texas Restaurant Association estimated that 15 percent of the state's 50,000 restaurants have closed for good.

nurturing new business models and partnerships with grocery stores, food trucks, bars, third-party delivery companies and alcohol manufacturers.

In September, TRA estimated that 15 percent of the state's 50,000 restaurants have closed for good, and that the share could increase to 40 percent without financial support. Most restaurants received only eight weeks of financial support through the federal Paycheck Protection Program (PPP), but had to endure months of required closures, reduced revenue and increased costs.

According to Kelsey Erickson Streufert, TRA's vice president of government relations and advocacy, about 200,000 Texans in the industry were still out of work in early December. "We do expect a full industry recovery eventually because we offer a product and a service that people want," she says. "The key questions for us are how long will the recovery take and how many restaurants — particularly the smaller, independent restaurants that are anchors to the community and local economy — can we help save in the process.

"Many of these businesses have anchored the community for decades," she says, "so we can't afford to lose them, and yet, they're often the most at risk because they're independent and local. These restaurants aren't looking for a bailout; they're simply asking for more time so they can outlast this pandemic, rebuild and continue to serve our communities."

YEAR OVER YEAR

Year-over-year (YOY) comparisons, common in discussions of finance and revenue, compare the results in one period with those of the same period in the previous year. This method removes the effect of seasonal variations (for instance, the expected spike in retail sales prior to Christmas each year) and makes it easier to spot long-term trends.

RETAIL SALES

Our state's retail sector is truly Texas-sized, accounting for 1.29 million jobs or about one in 10 of all Texas workers. In 2019, the sector contributed \$97 billion to Texas GSP, \$54.8 billion in wages and about \$12 billion in sales tax revenue.

Even before the pandemic, brick and mortar retailers faced steadily increasing competition from internet sales. COVID-19 accelerated the process. Many retailers considered non-essential were forced to close in March 2020. Even essential retailers such as grocery stores were subject to extreme uncertainty, often faced with conflicting orders by state, county and city governments.

As the crisis evolved, many retailers found success by expanding their online presence and offering curbside pickup. In Texas, retail reopenings generally began in late April. Since Sept. 21, Texas retailers have been permitted to open at 75 percent capacity. Customers still are required to wear face masks; many stores also have installed plastic shielding to protect checkers and instituted strict cleaning regimens.

As a result, Texas' in-state gross retail sales totaled about \$107 billion in the second quarter of 2020, down 7.2 percent from the same quarter in the previous year. But the effects vary widely throughout the retail sector. Smaller retailers have suffered disproportionately, less able to meet payrolls and rent payments than their larger counterparts, although even some large retailers have entered bankruptcy, such as JCPenney and J.Crew. Similarly, specialty retailers have struggled more than general ones. The commercial real estate market also loses business when stores close or reduce their number of brick-and-mortar locations.

While the federal PPP and Pandemic Unemployment Assistance program certainly helped retailers retain employees, the Texas Retailers Association and other organizations have advocated for further support to help defray some of the costs of greater safety measures, unemployment insurance and liability protection.



**KELSEY ERICKSON
STREUFERT**

VICE PRESIDENT OF
GOVERNMENT RELATIONS
AND ADVOCACY,
TEXAS RESTAURANT
ASSOCIATION

WEATHERING THE PANDEMIC

**GARY HUDDLESTON**TEXAS RETAILERS
ASSOCIATION

"In many cases, the large retailer is the largest [private] employer in many small towns in Texas," says Gary Huddleston, a consultant for the association. "Small and main-street retailers are doing everything possible to serve customers and find some cash flow. [They] really need state and federal help."

While long-term effects on retail employment remain to be seen, the retail sector saw a huge number of furloughs and layoffs early in the crisis.

The sector had nearly 114,000 fewer workers in April 2020 than in April 2019 (an 8.7 percent drop); as of November, the YOY gap had narrowed to 38,600 or 2.8 percent (**Exhibit 9**).

The exhibit lists the hardest-hit retail subsectors in terms of job losses; these include health, electronics, clothing and home furnishing stores. But again, the impacts have varied widely. More essential subsectors have seen surprising growth compared to last year. Food and grocery store employment, for example,

rose by around 5 percent YOY during April and May 2020 before returning close to 2019 levels. Meanwhile, building material retailers are riding a construction boom, with November's employment more than 10 percent higher YOY.

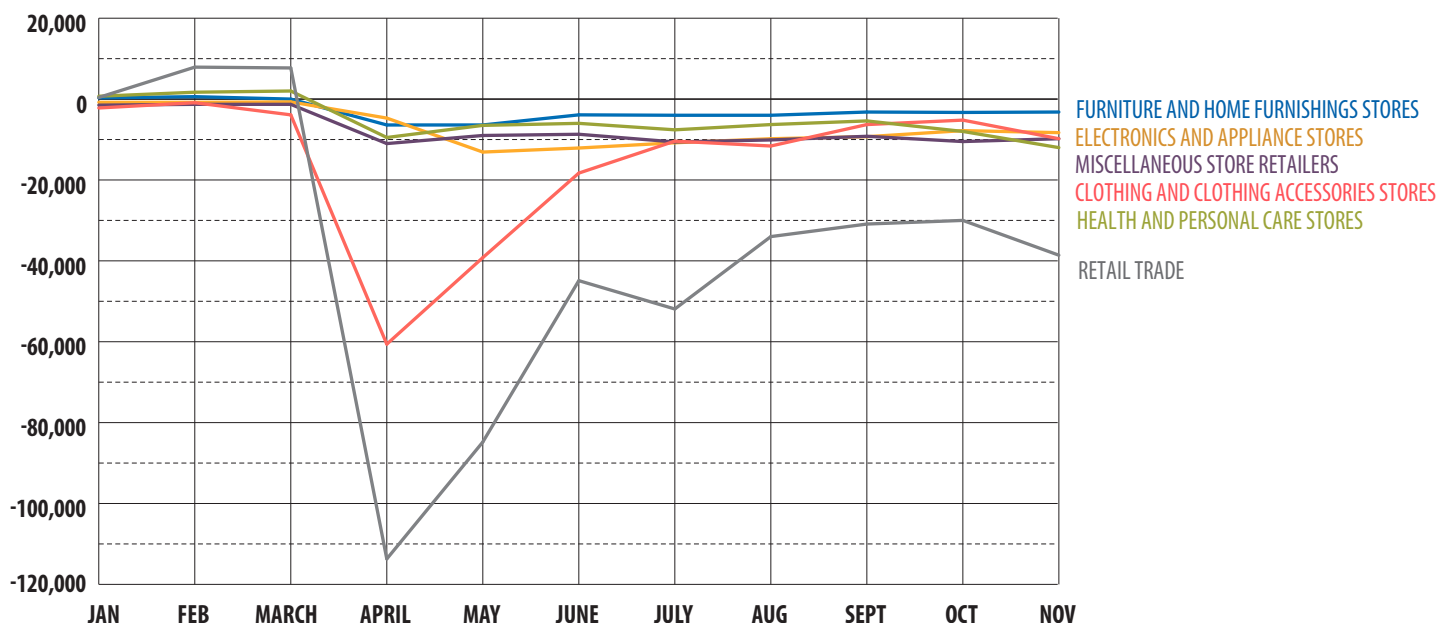
Clothing retailers have seen particularly dramatic volatility during the pandemic. In April 2020, the subsector had shed more than half its jobs compared to a year earlier — around 60,600 workers. By October, it had recovered most of those jobs on a YOY basis, but November saw another sharp decline.

After big dips in March and April retail sales, the long-term trend reflects surprisingly little damage to retail sales since the pandemic began. In September, Texas' retail sales totaled \$45.7 billion, down from a high of \$46.4 billion in January — not an insignificant decrease, but less catastrophic than some expected.

Sales tax revenue as of December was about 5 percent lower YOY, a much smaller decline than other major taxes. This was due in large part to the Supreme Court's *Wayfair* decision, which required sales taxes collection on internet sales.

EXHIBIT 9

**MONTHLY YEAR-OVER-YEAR JOB CHANGES, TOP FIVE TEXAS RETAIL SUBSECTORS, JANUARY-NOVEMBER 2020
(NOT SEASONALLY ADJUSTED)**



Source: Texas Workforce Commission

THE FEDERAL CARES ACT

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, was the third and largest of several federal emergency relief packages intended to address the economic fallout resulting from the COVID-19 pandemic.

A central component of the CARES Act was the U.S. Small Business Administration-administered Paycheck Protection Program, which initially expired on Aug. 8, 2020, but was revived on Dec. 21, 2020, after the passage of an additional federal stimulus bill. Under the CARES Act, the PPP provided 1 percent interest loans to small businesses to help keep their employees on payroll, with the stipulation that the federal government will forgive these loans entirely if the borrower uses the funds for payroll costs (at least 60 percent), mortgage payments, rent and utilities. Loans made under the PPP from March to August 2020 averaged about \$101,000.

The federal stimulus bill signed into law in late December totals roughly \$900 billion and dedicates \$325 billion in small business aid through the PPP. Other major spending provisions include an 11-week extension and \$300 boost in unemployment benefits; direct payments of \$600 for eligible individuals; and grants and funding for education, health care and transportation initiatives. The December bill also makes a number of changes to the PPP, such as expanding eligible expenses for loan funds, to better assist small businesses.

Under the CARES Act, Texas small businesses received a total of \$41.3 billion in PPP loans from March to August 2020, more than any other state except California.

And while sales taxes are down overall, *retail* sales tax revenue for the second half of fiscal 2020 is up more than 10 percent YOY, with food and beverage and building material sales largely making up the increase, as well as a 153 percent increase YOY in online shopping tax revenue.

AIRLINES

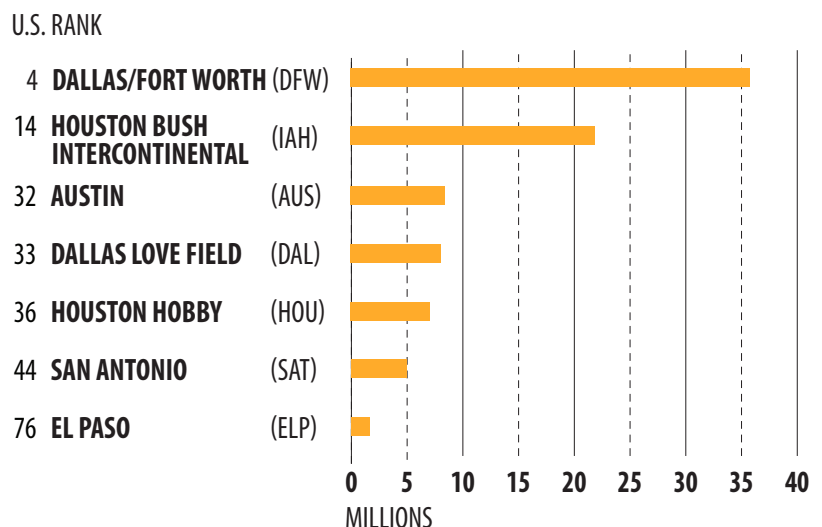
The passenger airline industry began 2020 at a high point. In 2019, U.S. airlines carried an all-time high of 1.1 billion passengers. Texas benefits greatly from air travel; it's home to 25 commercial airports and six of the nation's 50 busiest airports (**Exhibit 10**), including two of the world's busiest: Dallas-Fort Worth (DFW) and Houston's Bush Intercontinental Airport (IAH). Texas also is home base for two of the world's largest airlines, American Airlines and Southwest Airlines, both in the Dallas-Fort Worth area. A third large airline, United Airlines, has a significant presence at IAH. The passenger airline industry contributed an estimated \$20.7 billion to Texas GSP in 2019. As 2020 began, more than 105,000 Texans were employed in directly related businesses. Workers employed in Texas' passenger

airline industry earn an average annual wage of about \$88,000, significantly higher than the state average of about \$59,000.

In 2018, the Texas Department of Transportation estimated that Texas' commercial airports employed about 112,000 workers in various roles from operations to retail to cargo services, with upwards of 40,000 working at DFW and 34,000 at IAH. A 2018 report by the Airports Council International estimated

EXHIBIT 10

TEXAS AIRPORTS' SCHEDULED ENPLANEMENTS ON U.S. AIRLINES, 2019



Source: U.S. Bureau of Transportation

WEATHERING THE PANDEMIC

that Texas' commercial airports supported \$41.8 billion in payrolls and contributed \$130.4 billion annually to the state's economy.

Air passenger traffic declined steeply and immediately with the onset of the pandemic. Previous crises, such as the 9/11 terrorist attacks, have been financially disastrous to the airline industry, but COVID-19 was even more devastating in comparison. On March 1, 2020, more than 2.3 million passengers and employees were screened at U.S. airport checkpoints. By month's end the number was less than 150,000 and continued to drop until April 14 when less than 90,000 were screened.

For the first half of 2020, worldwide airport passenger numbers were down 58.4 percent compared to the previous year; DFW recorded a 48.2 percent decrease in this period. During summer 2020, the three largest airlines serving Texas all reported a high number of inactive aircraft and significant drops in the number of seats available on flights departing from the largest Texas airport each of them served (**Exhibit 11**).

International trade through Texas' airports declined by \$8 billion for the first six months of 2020 compared to the first half of 2019. This is widely attributed to the grounding of passenger jets, which

Air passenger traffic declined steeply and immediately with the onset of the pandemic.

normally carry nearly half of all global air cargo freight. To make up for this loss in cargo capacity, some passenger airlines began flying cargo-only flights. Prior to the pandemic, the last cargo-only flight by American Airlines was in 1984, but between March and October 2020, the airline made more than 3,000 cargo-only flights to more than 30 different destinations, many through DFW.

Both Texas-based airlines suffered from COVID-related limitations on travel. American Airlines lost more than \$2.2 billion in the first quarter of 2020 and at that time was burning through cash at a rate of \$70 million a day. The airline reported a \$2.4 billion net loss in the quarter ending in September, bringing its total losses for the first three quarters of 2020 to \$6.7 billion. Southwest Airlines saw its first quarterly loss in almost 10 years in 2020, reporting a loss of \$1.2 billion in the quarter ending in September 2020 compared to a \$659 million profit in the same quarter of 2019. Southwest's losses for the first three quarters of 2020 have been reported at more than \$2.2 billion.

In April 2020, the federal government's CARES Act included more than \$50 billion in aid (including \$25 billion in payroll support and \$25 billion in loans) for passenger airlines to support the industry through summer and into the fall. These grants and loans contained provisions to protect workers and regional airports through furlough restrictions and minimum service guarantees through Sept. 30. American Airlines and Southwest Airlines received more than

EXHIBIT 11

LARGEST AIRLINES OPERATING IN TEXAS AND LARGEST TEXAS AIRPORT USED BY AIRLINE, SUMMER 2020

AIRLINE		TOTAL AIRPLANES IN COMPANY FLEET		LARGEST TEXAS AIRPORT USED BY AIRLINE		
	GLOBAL RANKING (AVAILABLE SEATS)	AIRPLANES IN SERVICE	PARKED AIRPLANES (INACTIVE)		SEATS AVAILABLE SUMMER 2020	PERCENT CHANGE FROM SUMMER 2019
SOUTHWEST	1	634	105	DALLAS LOVE FIELD	3,911,146	-13%
AMERICAN	4	653	348	DFW INTERNATIONAL AIRPORT	9,135,748	-48
UNITED	10	393	466	GEORGE BUSH INTERNATIONAL AIRPORT	2,187,712	-41

Note: OAG's "summer" classification based on data for March 29 through October 30; 2020 figures represent estimates made as of Sept. 28, 2020.

Source: OAG Aviation Worldwide Limited

Texas hospitals, like others across the country and around the world, have struggled to meet the unprecedented demand on their resources and capacity.

\$5.8 billion and \$3.2 billion, respectively, from the CARES Act.

As the year came to a close, American Airlines employed fewer than 100,000 persons worldwide, nearly 30 percent less than at the start of the pandemic. And according to Southwest Airlines' Sherri Hull, a senior advisor for governmental affairs, the company shrank its workforce by nearly 25 percent in 2020 through concessions and voluntary leave programs; many of these jobs were located in Texas.

Yet there are some signs the worst may be over. Southwest Airlines announced that it reduced its daily cash burn to an average of \$16 million in the third quarter of 2020 and anticipates it falling to about \$12 million in the fourth quarter. American Airlines expects its fourth-quarter 2020 average daily cash burn to come in at the high end of its previously forecasted range of \$25-\$30 million per day.

In October 2020, the Transportation Security Administration screened more than 1 million U.S. passengers for the first time since March, although the number has fluctuated since then. During the Sunday after Thanksgiving — typically one of the busiest days for air travel — nearly 1.2 million passengers passed through U.S. airports' security, the highest figure seen in months but still down 59.2 percent YOY.

2021 will be a challenge for all carriers, according to John Grant, chief analyst at OAG, a leading air travel information consultancy. But advance bookings for May and June 2021 already appear "pretty good" versus previous years. Uncertainty keeps the industry in flux, however — ticket sales flattened as the virus spiked in late autumn 2020 and new travel restrictions were implemented. In early December, Southwest Airlines notified more than 6,800 employees of potential furloughs (mandatory but temporary leaves of absence) in early 2021. After passage of the recent

federal stimulus bill, however, the company said the furloughs wouldn't be needed at least through the end of 2021.

HOSPITALS

Texas has more than 500 hospitals, more than any other state. In 2019, the Texas hospital industry employed nearly 470,000 and accounted for about \$50.4 billion of Texas GSP.

These hospitals, like others across the country and around the world, have struggled to meet the unprecedented demand on their resources and capacity. Their financial pressures have increased significantly, and their staffs have been stretched to the limit.

They've lost significant revenue by being forced to cancel or curtail non-emergency services while at the same time having to boost pandemic-related staffing; increase supplies of personal protective equipment (PPE), pharmaceuticals and ventilators; and modify their operations and facilities to expand capacity safely. Widespread, pandemic-related job losses mean hospitals are treating more uninsured patients than ever before (see the October 2020 issue of *Fiscal Notes* for more).

In August 2020, the Harris Health System reported that its Houston-area public hospitals have lost an average of \$10 million a month since the end of March. These losses reflected decreases in outpatient visits and increases in supply and labor costs.

Inpatient surgeries and emergency room visits also have decreased, not only due to state or local orders but also because many patients are postponing care to avoid the risk of contracting the virus. According to a June 2020 survey conducted by the U.S. Centers for Disease Control and Prevention, 41 percent of U.S. adults avoided medical care during the pandemic because of concerns about COVID-19, including 12 percent who didn't go in for emergency care and another 32 percent who delayed routine visits.

In addition to these diminishing revenue streams, many staff members are experiencing financial pressure, as hospitals have been forced to resort to pay cuts, reduced hours, furloughs and even layoffs to stay afloat.

WEATHERING THE PANDEMIC

While most supply chains have resumed and many Texans are getting back to business, not all industries have bounced back.

As of August 2020, according to Becker's Hospital CFO Report, more than 260 hospitals and health systems in the U.S. had furloughed workers during the pandemic, and dozens of others have implemented layoffs. In June, Texas' Baylor Scott & White Health laid off about 930 employees and introduced pay cuts for 300 senior managers; in early December, the system announced it was laying off a further 102 finance and accounting employees and outsourcing their duties to India. In August, the University of Texas Medical Branch in Galveston announced it would lay off 200 employees as it faced a budget shortfall of \$174 million.

From March 1 to June 30, 2020, the American Hospital Association (AHA) studied four financial challenges U.S. hospitals face:

- the effect of COVID-19 hospitalizations on hospital costs;
- the effect of canceled and forgone services (such as elective surgeries) on hospital revenue;
- additional costs associated with purchasing PPE as well as establishing additional COVID-19 wards, testing centers, etc.; and
- the costs of the additional supports some hospitals are providing to their workers.

Using these measures, the AHA estimated a total four-month financial impact of \$202.6 billion in losses for U.S. hospitals and health systems — an average of \$50.7 billion per month. The losses were expected to increase to \$323 billion by the end of 2020.

The CARES Act and other recently enacted federal legislation allocated \$175 billion to the Provider Relief Fund for U.S. hospitals and other healthcare providers. Texas providers received almost \$3 billion in general funding. An additional \$602.7 million was sent to 58 Texas hospitals located in COVID-19 high-impact areas and \$1.2 billion was provided to Texas safety-net hospitals. Texas' rural health care providers (including hospitals) received another \$725.7 million.

Texas' hospitals have stepped up in heroic and unprecedented ways to save lives and minimize the virus' spread. When they resume normal operations, some of the lessons learned and strategies improvised during the pandemic — such as telehealth services — may endure. (See our May 2020 *Line Items* article on telemedicine at [FiscalNotes.org](https://www.fiscalnotes.org).)

AN UNCERTAIN YEAR TO COME

The COVID-19 crisis has changed life as we knew it last February. It may be a long time before pre-pandemic life returns — if it ever truly returns. One bright spot in these times is the way the public, businesses, schools and others have risen to the occasion by restructuring their workplace practices and accelerating their use of technology.

When everything paused last spring, nearly all Texas businesses saw a decline in commerce. While most supply chains have resumed and many Texans are getting back to business, not all industries have bounced back. Some industries and some people have been more affected than others, and that disparity will make our recovery more challenging.

But Texans are known for their resiliency, and our businesses and industries are working hard to adapt, meeting the economic chaos with creativity, agility and ingenuity. When the crisis passes, these innovations will remain. Amid the disruption, we will grow stronger. **FN**

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year.

These numbers were current at press time. For the most current data as well as downloadable files, visit comptroller.texas.gov/transparency.

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

NET STATE REVENUE — All Funds Excluding Trust

(AMOUNTS IN THOUSANDS)

Monthly and Year-to-Date Collections: Percent Change From Previous Year

Tax Collections by Major Tax	DECEMBER 2020	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
SALES TAX	\$2,860,349	\$11,136,802	-5.27%
PERCENT CHANGE FROM DECEMBER 2019	-5.05%		
MOTOR VEHICLE SALES AND RENTAL TAXES	438,937	1,762,433	-0.39%
PERCENT CHANGE FROM DECEMBER 2019	2.72%		
MOTOR FUEL TAXES	277,658	1,182,927	-7.25%
PERCENT CHANGE FROM DECEMBER 2019	-10.63%		
FRANCHISE TAX	-53,229	1,742	-101.25%
PERCENT CHANGE FROM DECEMBER 2019	-60.59%		
OIL PRODUCTION TAX	197,462	824,029	-40.61%
PERCENT CHANGE FROM DECEMBER 2019	-45.53%		
INSURANCE TAXES	32,813	108,722	-2.72%
PERCENT CHANGE FROM DECEMBER 2019	45.40%		
CIGARETTE AND TOBACCO TAXES	126,031	468,726	20.20%
PERCENT CHANGE FROM DECEMBER 2019	11.19%		
NATURAL GAS PRODUCTION TAX	85,543	289,244	-30.57%
PERCENT CHANGE FROM DECEMBER 2019	-24.96%		
ALCOHOLIC BEVERAGES TAXES	84,107	346,287	-26.37%
PERCENT CHANGE FROM DECEMBER 2019	-28.52%		
HOTEL OCCUPANCY TAX	25,570	125,583	-41.39%
PERCENT CHANGE FROM DECEMBER 2019	-48.54%		
UTILITY TAXES¹	1,601	122,680	-6.18%
PERCENT CHANGE FROM DECEMBER 2019	143.26%		
OTHER TAXES²	9,792	39,986	-48.62%
PERCENT CHANGE FROM DECEMBER 2019	-37.51%		
TOTAL TAX COLLECTIONS	\$4,086,635	\$16,409,160	-8.13%
PERCENT CHANGE FROM DECEMBER 2019	-7.36%		
Revenue By Source	DECEMBER 2020	YEAR TO DATE: TOTAL	YEAR TO DATE: CHANGE FROM PREVIOUS YEAR
TOTAL TAX COLLECTIONS	\$4,086,635	\$16,409,160	-8.13%
PERCENT CHANGE FROM DECEMBER 2019	-7.36%		
FEDERAL INCOME	4,459,167	19,573,494	35.12%
PERCENT CHANGE FROM DECEMBER 2019	40.81%		
LICENSES, FEES, FINES AND PENALTIES	438,529	2,074,255	-2.17%
PERCENT CHANGE FROM DECEMBER 2019	-0.93%		
STATE HEALTH SERVICE FEES AND REBATES³	327,483	1,656,480	-26.84%
PERCENT CHANGE FROM DECEMBER 2019	106.81%		
NET LOTTERY PROCEEDS⁴	252,033	897,489	26.11%
PERCENT CHANGE FROM DECEMBER 2019	40.46%		
LAND INCOME	135,924	516,500	-33.19%
PERCENT CHANGE FROM DECEMBER 2019	-35.12%		
INTEREST AND INVESTMENT INCOME	58,557	465,941	-56.93%
PERCENT CHANGE FROM DECEMBER 2019	-83.42%		
SETTLEMENTS OF CLAIMS	422,096	452,543	-0.29%
PERCENT CHANGE FROM DECEMBER 2019	-2.77%		
ESCHEATED ESTATES	18,106	109,635	15.68%
PERCENT CHANGE FROM DECEMBER 2019	129.30%		
SALES OF GOODS AND SERVICES	21,946	95,502	5.31%
PERCENT CHANGE FROM DECEMBER 2019	-12.45%		
OTHER REVENUE	216,974	885,346	110.48%
PERCENT CHANGE FROM DECEMBER 2019	118.18%		
TOTAL NET REVENUE	\$10,437,450	\$43,136,345	6.89%
PERCENT CHANGE FROM DECEMBER 2019	10.01%		

¹ Includes public utility gross receipts assessment, gas, electric and water utility tax and gas utility pipeline tax.

² Includes taxes not separately listed, such as taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions as well as refunds to employers of certain welfare recipients.

³ Includes various health-related service fees and rebates that were previously in "license, fees, fines and penalties" or in other non-tax revenue categories.

⁴ Gross sales less retailer commission and the smaller prizes paid by retailers.

Notes: Totals may not add due to rounding. Excludes local funds and deposits by certain semi-independent agencies.

Includes certain state revenues that are deposited in the State Treasury but not appropriated.



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SPECIAL EDITION – December 2020 - January 2021

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
DEFENDANTS' MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

Southwest Economy – First Quarter 2021

EXHIBIT A-2



FIRST QUARTER 2021

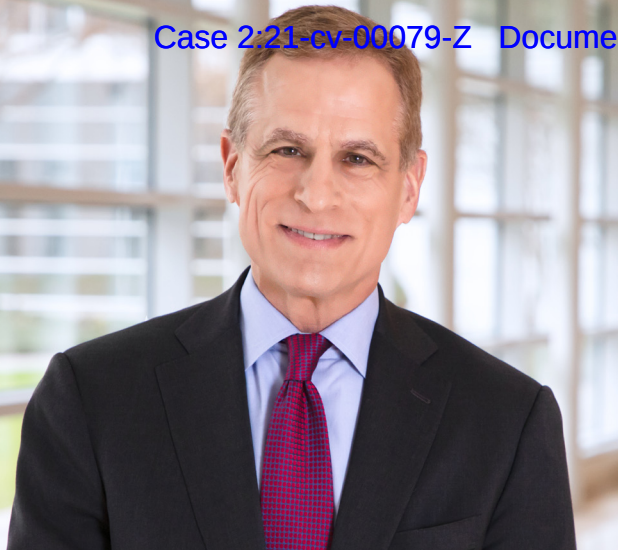
Southwest Economy



▶ COVID-19 Slammed into Texas, Leaving Long-Lasting Impacts

PLUS

- ▶ COVID-19 Poses Stubborn Challenge to Economic Growth in Mexico
- ▶ On the Record: Value-Added Tax Could Restrain Long-Term Federal Debt
- ▶ Spotlight: Pandemic Pushes Texas Minority Unemployment Beyond Highs Reached During Great Recession
- ▶ Go Figure: Collapsing Fuel Demand Tanks Texas Exports During Pandemic's Peak



President's Perspective

Rob Kaplan, president and CEO of the Dallas Fed, regularly speaks and writes on the factors that affect economic growth in the nation and Eleventh District. Here are some of his recent thoughts on key issues:

On the Stance of Monetary Policy

"My forecast has improved meaningfully. ... Having said that, we are still in the middle of a pandemic, and I want to see more than a forecast, and I want to see actual evidence that that forecast is going to unfold. As we do, and as we make substantial further progress on meeting our dual-mandate goals [stable prices and maximum sustainable employment], I for one am going to be an advocate of beginning the process of removing some of these extraordinary monetary measures, and doing it sooner rather than later. But I need to see outcomes, not just a strong forecast."

CNBC Interview with Steve Liesman—March 23, 2021

On the Importance of the Vaccine Rollout

"The most important thing is how we manage the virus, and these variants, and getting people vaccinated and speeding the vaccinations so we head off the potential impact of these variants. That's still the No. 1 thing I'm watching."

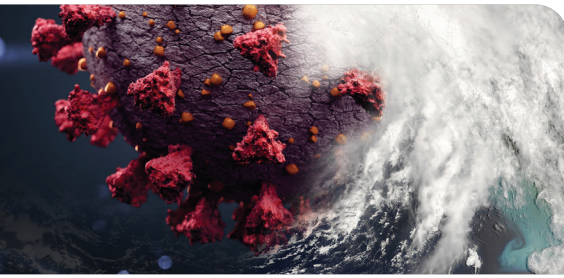
Interview with Reuters—Feb. 17, 2021

On the Outlook for Inflation

"It wouldn't be surprising to see the cyclical elements of inflation build, and I think that you will see some supply outages. We are already seeing evidence of it [in] semiconductors, metals, wood products, maybe even in oil markets. But I don't think those are going to be persistent, I don't think those are going to be long term."

"I think there is no question that the cyclical forces will build, and over time, the question for me is how strong are the accelerating forces of technology and technology-enabled disruption which have been muting inflationary pressures for some time. How do those cyclical and structural forces play out over time? That's what I am going to be watching for. The temporary jump up or rise in inflation won't surprise me. The question for me will be how persistent is it, and I think the jury is still out on that right now."

Bloomberg TV Interview with Mike McKee—Feb. 9, 2021



COVID-19 Slammed into Texas, Leaving Long-Lasting Impacts

By Emily Kerr, Judy Teng and Keith Phillips

ABSTRACT: The economic road from the COVID-19 recession in Texas will likely feature a steeper, more rapid climb than the usual gradual rise associated with most recoveries. Some structural changes that the pandemic wrought will take longer to resolve, including those that will make work from home a longer-term occupational reality for some.

The economic downturn that began with the arrival of COVID-19 in March 2020 has greater resemblance to a natural disaster than a typical recession.

Most recessions begin with slowing growth that transitions into declining jobs and output. At the time, the process may appear so gradual that analysts often miss it until many months later.

By comparison, when a hurricane occurs—for example, Hurricane Katrina striking Louisiana in 2005—the economy suddenly halts, and jobs and output fall sharply. A quick return to growth follows just a couple months later, although a full recovery can take a year or more.

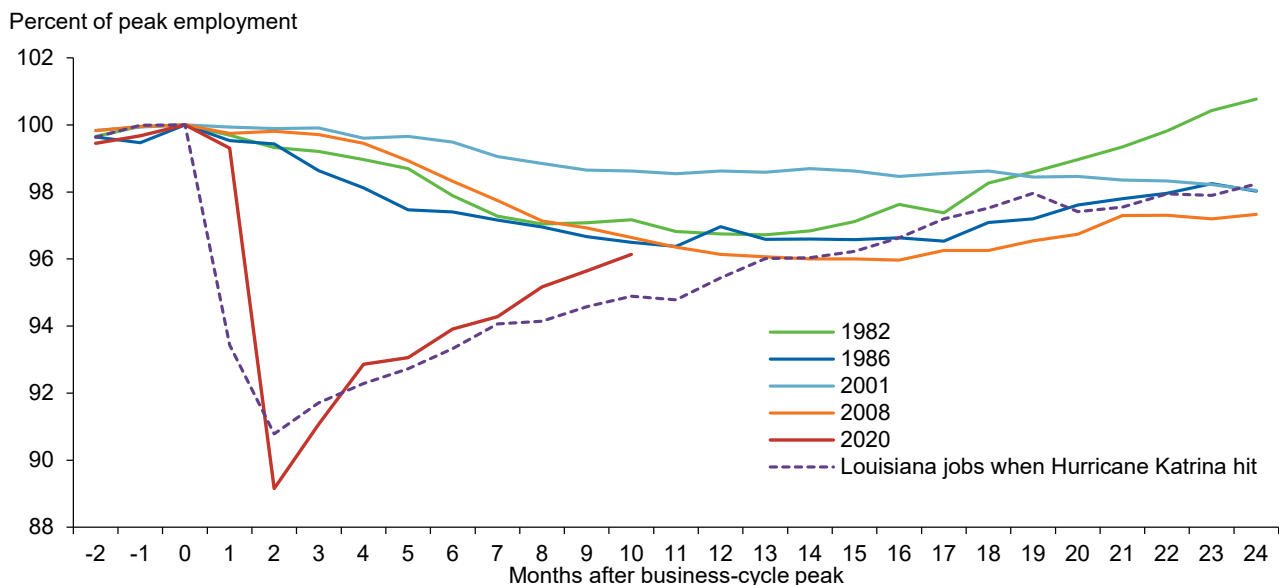
The pattern of job growth in Texas at the beginning of the pandemic resembles that of Louisiana following Katrina rather than past Texas recessions (*Chart 1*). The speed with which the state achieves prepandemic levels of output and jobs will depend on how quickly COVID-19 cases and hospitalizations decline and the long-lasting structural changes left behind.

Expecting a Slow Return

The pandemic fundamentally disrupted Texas business. Despite the economic recovery that began in May 2020, roughly 60 percent of firms in the Dallas Fed Texas Business Outlook Surveys (TBOS) reported that their January 2021 revenues remained below

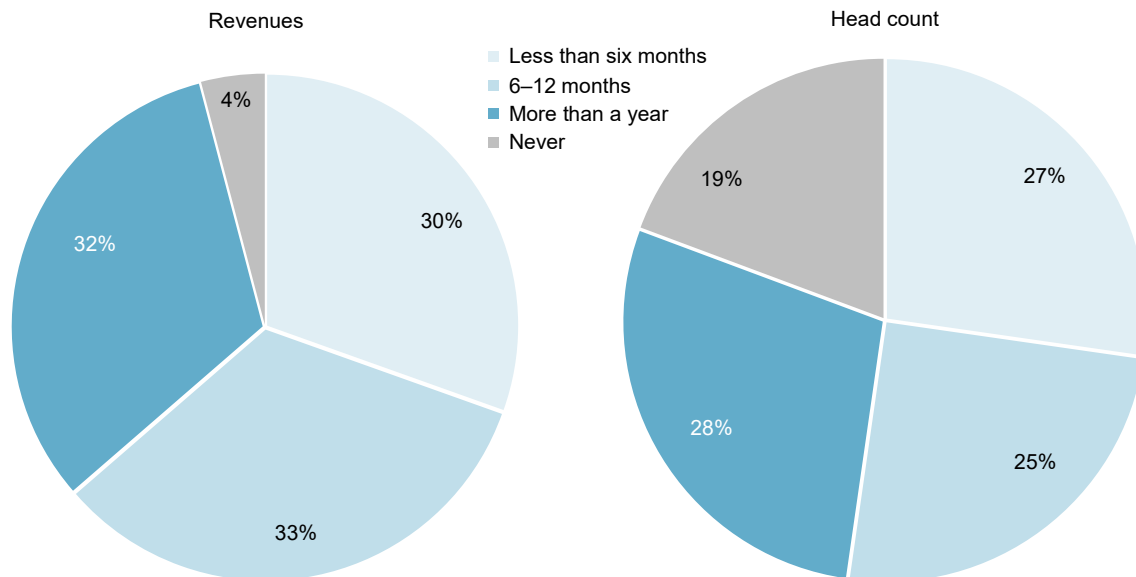
CHART 1

2020 Texas Downturn Looks Much Like Impact from Large Natural Disaster



NOTES: Solid lines refer to Texas nonfarm payroll employment. Recessions are indexed to peak employment: March 1982, January 1986, March 2001, August 2008 and February 2020. Dotted line refers to Louisiana nonfarm payroll employment indexed to peak employment in August 2005.

SOURCE: Bureau of Labor Statistics.

**CHART
2****When Do You Expect Your Firm's Revenues and Head Counts to Return to Pre-COVID Levels?**

NOTES: This question was only posed to those indicating January revenues or head counts that were below normal (60 and 48 percent of all firms, respectively). Data were collected Jan. 12-20. There were 220 responses for revenues and 176 for head count.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys, January 2021.

normal. When these responding executives were asked when they expected a return to pre-COVID-19 levels, 30 percent said within six months, and 63 percent said within a year (*Chart 2*). The vast majority—96 percent—anticipate full recovery, though nearly one-third said it will take more than 12 months.

Restoring normal employment may take longer than reviving revenues. Among the 48 percent of firms reporting January 2021 head counts below prepandemic levels, nearly 20 percent said they do not expect them to ever return to pre-COVID-19 numbers. These businesses point to increased efficiency and productivity or streamlining due to technology adoption. Several companies said that they were overstaffed leading up to the pandemic.

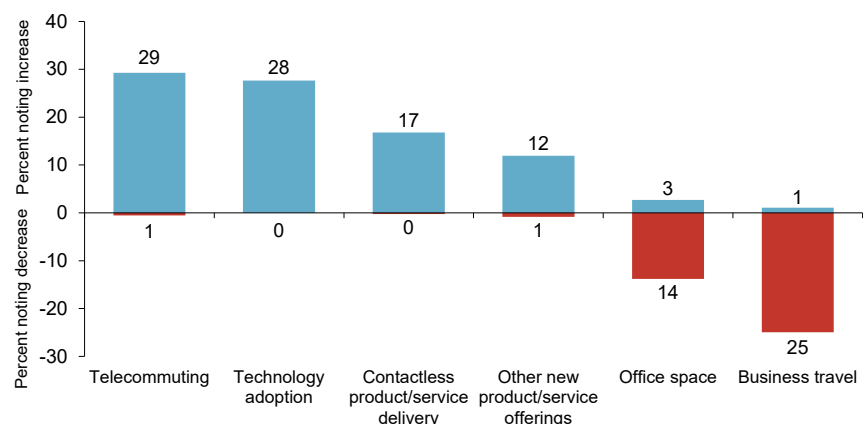
These pandemic-spurred productivity improvements allow firms to generate more revenue per employee going forward. This wouldn't be uncommon, as aggregate productivity tends to rise during economic downturns. A National Bureau of Economic Research

study found that output per worker rose by more than 5 percent during the Great Recession.¹

In the long run, productivity gains are a main source in a country's standard of living. They spur both strong output growth and full employment.

However, in the short run, they can lead to slower job growth, particularly if there is a mismatch between the skills demanded by the new jobs and the skills of unemployed workers.

For example, the large number of workers displaced from the leisure and

**CHART
3****Texas Businesses Report on COVID-19 Structural Changes**

NOTES: There were 369 respondents. Firms were asked, "Are there structural changes your firm has made or plans to make as a result of the COVID-19 pandemic that you expect to be permanent? If yes, please specify any changes and whether it is an increase or decrease." Those not responding to a specific category are not shown, thus the percentages do not total 100.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys, December 2020.

hospitality sector likely won't readily transition to growing sectors such as information technology and financial services. They may more easily find employment related to e-commerce, such as in warehousing and parcel delivery services.

Long-Term Pandemic Impacts

TBOS respondents reported at year-end 2020 whether they expected the structural changes instituted because of the pandemic to be permanent. Nearly 30 percent anticipated a permanent increase in telecommuting and technology adoption relative to pre-COVID-19 levels (*Chart 3*).

A quarter of firms expected a permanent reduction in business travel, and 14 percent said they likely won't need as much office space.

These structural shifts portend changes in where people desire to live and work and also affect commuting. The impacts will affect business travel and the oil and gas sector.

More Remote Work Likely

During the pandemic, the dynamics of high-density mostly urban living changed—the potential of virus

TABLE 1 Share of Work-from-Home Employees to Remain Elevated

Average (percent)	
Pre-COVID-19	8.3
Current	35.0
Post-COVID-19	20.6

NOTES: Respondents were asked, "What share of your employees were working remotely in February 2020 (pre-COVID-19), and what share are currently (August 2020) working remotely? What share do you expect to work remotely after the pandemic ends?" There were 390 responses. Data were collected Aug. 18–26, 2020.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys, August 2020.

spread increased costs, while the benefits of leisure opportunities such as restaurants and entertainment fell. This, along with historically low interest rates, likely prompted a significant shift in Texas from city centers to suburban regions and larger homes.²

Moreover, the desire to work from home increased sharply due to early government "stay at home" orders and a fear of viral spread. During the initial outbreak, the average share of employees working remotely increased by 26.7 percentage points to more than a third of all workers (*Table 1*).

With numerous telecommuting platforms available to facilitate remote job activity, collaboration and even

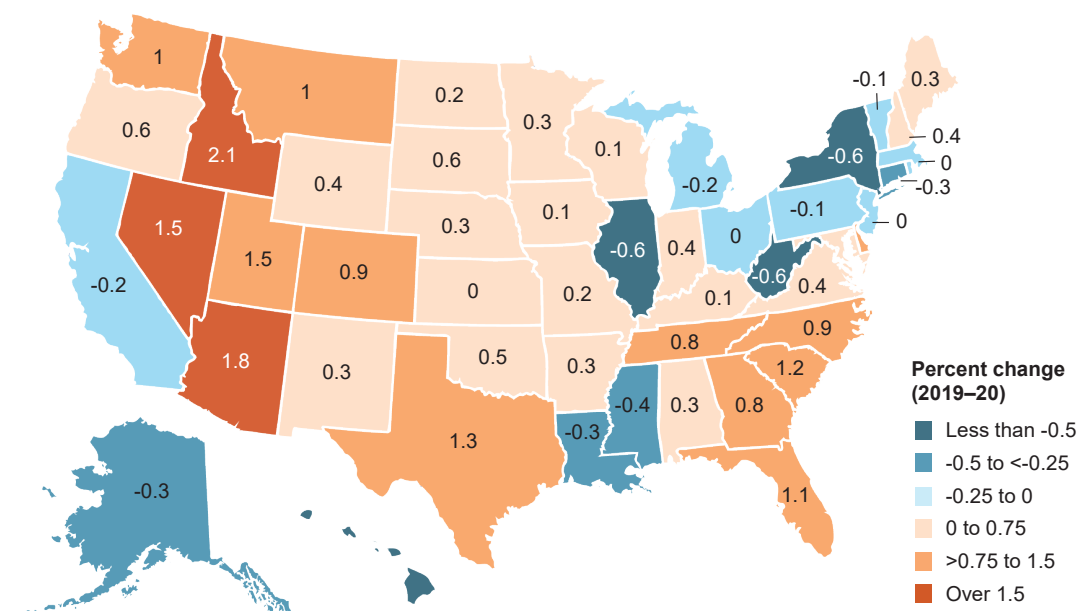
large-scale business transactions, work-from-home efficiency surprised many in a variety of industries.

The success of remote work likely will reduce demand for office space over the next few years from what it would have been absent COVID-19. TBOS contacts indicated that on average, they expect about 21 percent of their employees to continue working from home after the pandemic.

Office vacancy rates have increased across the state's major metro areas. The fourth quarter 2020 office vacancy rate reached 23.4 percent in Dallas-Fort Worth and 22.3 percent in Houston, surpassing Great Recession peaks.³

CHART 4

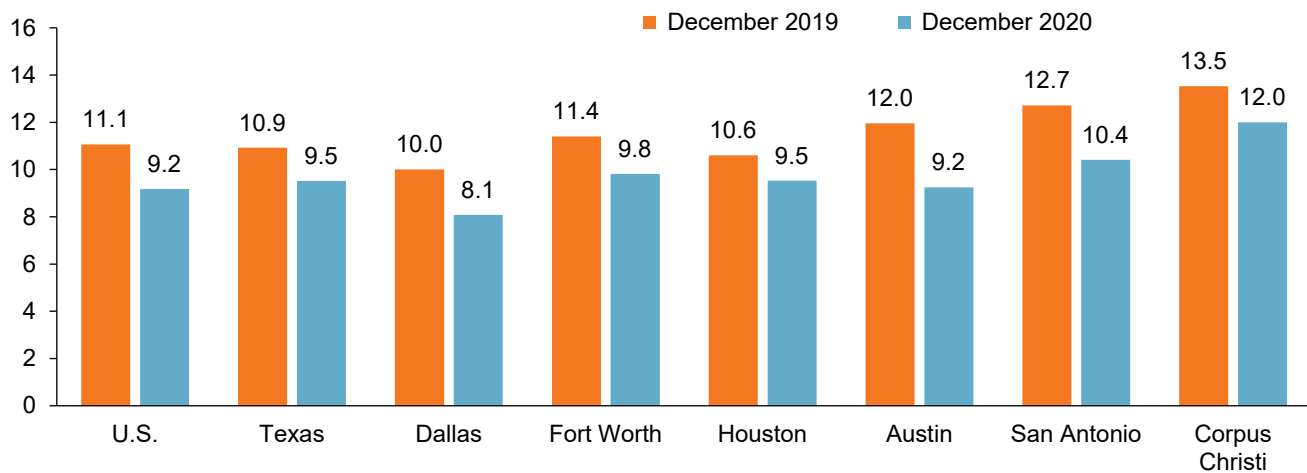
Texas 2020 Population Growth Suggests Strong Migration from Other States



SOURCE: Census Bureau.

**CHART
5****Texas Exposure to Leisure and Hospitality Similar to U.S.; Varies Across Metros**

Share of leisure and hospitality jobs (percent)



SOURCE: Texas Workforce Commission, adjustments by the Federal Reserve Bank of Dallas.

With fewer workers commuting to urban centers, restaurants and retail in those areas may experience a slower recovery, and demand for gasoline (and thus, oil) will increase more slowly than would otherwise be the case following a downturn.

Still Moving to Texas

Some recent studies have found the pandemic not only resulted in some movement to the suburbs but may also have increased the desire of people to live in less-dense and more-inexpensive cities nationally, which would benefit states such as Texas.⁴

Data on population growth, U-Haul rental truck movements and a national builders survey all suggest that net immigration into Texas from other states remained high last year.

Texas' population increased 1.3 percent in 2020—about the same pace as in 2019 and the fastest rate of growth of the 10 largest states (*Chart 4*). While a breakdown of the sources of the increase is not yet available, average growth rates of births, deaths and international migration to the state over the past five years provide an indicator. These estimates along with census data imply that Texas net domestic migra-

tion increased by about 20 percent last year—to around 151,700.

The strength in net domestic migration to Texas is supported by data from U-Haul, which measures movements of one-way moving truck rentals. Last year, Texas ranked second in net trucks coming into the state—behind only Tennessee and ahead of Florida.

Interestingly, the top three states for net positive moves were three of only nine states that do not have a state income tax.⁵ California was at the bottom of the list as the state with the greatest net outflow of moving trucks.

Also supporting strong net domestic migration, a Zonda research survey of builders in November 2020 found that 60 percent of 45 builders with operations in Texas said that out-of-market/out-of-state home purchases had increased in Texas, while 4.4 percent said they had decreased.⁶

Six out of the 10 builders that posted comments mentioned people moving from California or the West Coast, with one citing a “huge influx from California still continuing.”

Firms recently announcing relocation of major operations or headquarters to the state included Tesla, Hewlett Packard Enterprise, Oracle and CBRE.

Business Travel Impacts

Telecommunications technology, and in particular web conferencing, has gained new prominence—digital platforms such as Skype, Lifesize, Zoom, GoToMeeting and Cisco WebEx. While their development generally began in the mid-1990s, their use accelerated during the pandemic.

As employees shifted to working from home, they were forced to learn about these platforms and began appreciating their ease of use. Many internal and external conferences were converted from in-person events to digital, and business travel declined dramatically in 2020. How fast and how far business travel rebounds remains subject to debate, though experts in the field predict a slow recovery to pre-pandemic levels.

In a survey of meeting planners in January 2021, only 22 percent anticipated resuming face-to-face meetings in the first half of the year, with 25 percent seeing a third-quarter resumption, 27 percent anticipating a return at year-end and 18 percent suggesting a resumption in 2022.⁷ When asked about what percentage of 2019 events activity they foresee coming back, just 7 percent reported returning to 2019

levels this year, 32 percent by 2022 and 71 percent by 2023.

If meetings and conferences are slow to return, then industries relying on business travel, such as airlines, hotels, restaurants, retail and convention centers will feel the effects. Nationally, hotel occupancy averaged just 44 percent last year, and revenue per available room was down 48 percent from 2019, according to hospitality analytics firm STR, a unit of CoStar Group Inc.⁸

Luxury hotels performed far worse, with 21 percent occupancy in December 2020 versus 68 percent in 2019, while economy hotel occupancy was 45 percent in December compared with 48 percent in December 2019. STR forecasts that overall room demand will rebound to 2019 levels by 2023, and it won't be until 2024 before revenue per available room fully recovers.

How will reduced business travel affect the jobs recovery in Texas? While detailed data on business travel are difficult to obtain, broader measures of the sector's size provide insight regarding the potential outline of a rebound.

About 11 percent of jobs in Texas and the U.S. were in leisure and hospitality in 2019, though the figure was much higher in metros such as San Antonio and Corpus Christi (*Chart 5*). Given the sector's size, especially in certain areas, its slow return may depress job growth this year, even as other sectors and certain portions of the industry—such as leisure travel and local spending on restaurants—grow strongly.

Oil and Gas Sector Impact

Texas accounted for 41 percent of U.S. oil production and 25 percent of U.S. natural gas production in 2019. With the rise in working remotely and the declines in air travel and leisure and hospitality activity, worldwide fuel demand plummeted in the first half of 2020.

Gasoline consumption fell by nearly half and jet fuel by 70 percent nationally.⁹ The reduced demand for oil products played a major role in a large decline in the monthly average price of West Texas Intermediate Crude (WTI)—from \$59.88 per barrel in

December 2019 to \$16.55 in April 2020. Prices subsequently recovered to an average of \$59.05 per barrel by February 2021.

Although contacts in the first-quarter Dallas Fed Energy Survey reported increased activity and an improved outlook, commuter and business travel won't likely return to pre-COVID-19 levels over the next several years.

Survey respondents expected the price of WTI to be \$61 in fourth quarter 2021, slightly above the average breakeven price the survey reported in first quarter 2021. Despite higher oil prices, slightly over half—53 percent—of executives expect their head count to remain unchanged from December 2020 to December 2021.

Vaccinations Remain Key

Assuming there is COVID-19 vaccine efficacy and a high percentage of the population is vaccinated or immune by the third quarter, the Texas economy should grow strongly in the second half of 2021.

Structural changes and frictions in the labor market might impact the pace of job gains and a return to pre-COVID-19 employment levels in Texas. Shifting demand toward less dense, lower cost of living areas, such as those in Texas, should support economic growth.

Overall, the changes suggest that Texas will continue to see stronger job growth than the national average and employment will return to pre-COVID-19 levels before the end of the year. However, jobs will still be below the trend level suggested before COVID-19. Jobs in Texas will likely grow a strong 6.0 percent this year, according to the Dallas Fed Texas Employment Forecast.¹⁰

Households that have pent up demand and built up savings should return to restaurants and vacation destinations and even some high-contact events such as concerts and sporting events. At a growth rate of 6.0 percent, however, jobs in December 2021 would still be about 0.9 percent (116,000 jobs) above the peak level reached in February 2020, but below the previous trend by 2.7 percent (359,000 jobs).

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¹ "Making Do with Less: Working Harder During Recessions," by Edward P. Lazear, Kathryn L. Shaw and Christopher Stanton, National Bureau of Economic Research, Working Paper no. 19328, August 2013, www.nber.org/system/files/working_papers/w19328/w19328.pdf.

² "COVID-19 Fuels Sudden, Surging Demand for Suburban Housing," by Laila Assanie and Yichen Su, Federal Reserve Bank of Dallas *Southwest Economy*, Fourth Quarter 2020.

³ From CBRE Research.

⁴ "The Impact of the COVID-19 Pandemic on the Demand for Density: Evidence from the U.S. Housing Market," by Sitian Liu and Yichen Su, Federal Reserve Bank of Dallas Working Paper no. 2024, revised October 2020; "Emerging Trends in Real Estate 2021," Urban Land Institute and PwC, accessed Feb. 22, 2021.

⁵ Tennessee and New Hampshire are among the nine states, although they collect taxes on interest and dividend income.

⁶ Survey from Zonda advisory of homebuilders operating in Texas and their assessment of the impact of COVID-19. Results presented Jan. 27, 2021, www.surveymonkey.com/results/SM-X3H6DDP67/.

⁷ i-Meet Planner Confidence Index, "2021 Planner Confidence Index—Phase 3," a weekly survey of trends and evolving opinions of meeting professionals.

⁸ "STR, TE Slightly Downgrade Latest U.S. Hotel Forecast," STR Global, Jan. 26, 2021, <https://str.com/press-release/str-te-slightly-downgrade-latest-us-hotel-forecast>.

⁹ "Lower U.S. Crude Oil Production Decreases Output, Raises Price of Natural Gas," by Jesse Thompson and Camila Holm, Federal Reserve Bank of Dallas *Southwest Economy*, Fourth Quarter 2020.

¹⁰ "Texas Employment Forecast," Federal Reserve Bank of Dallas, March 26, 2021, www.dallasfed.org/research/forecast/2021/emp210326.aspx.

A Conversation with Alan D. Viard

Value-Added Tax Could Restrain Long-Term Federal Debt

Alan D. Viard, a resident scholar at the American Enterprise Institute, studies tax and budget policy. A former senior economist at the Federal Reserve Bank of Dallas, Viard discusses how to address the U.S. budget deficit in the aftermath of the COVID-19 pandemic.

Q. How large is the long-run fiscal imbalance and what is driving it? How much has the COVID-19 pandemic added to the imbalance?

In June 2019, the Congressional Budget Office (CBO) projected that the federal government's debt under current law would rise from 78 percent of annual gross domestic product (GDP) in 2019 to 144 percent in 2049.

The fiscal imbalance further widened during the recession accompanying the pandemic in 2020, as tax revenue fell and Congress adopted large spending increases and tax cuts to provide income support and economic stimulus. On March 5, 2021, the CBO projected that the debt would grow to 202 percent of annual GDP in 2051.

That estimate does not include the costs of the \$1.9 trillion stimulus and relief plan that became law in March 2021. Congressional action to respond to the pandemic was likely necessary but has added to the government's debt.

The underlying cause of the long-run fiscal imbalance is that spending on Social Security and the major health care programs (Medicare, Medicaid and Affordable Care Act health insurance premium subsidies) is growing much more rapidly than revenue, due to population aging and rising medical costs.

The CBO projects that, under current law, noninterest spending will rise from 19.2 percent of GDP in 2019 to 23.1

percent in 2051, while revenue will only grow from 16.3 percent of GDP to 18.5 percent. The projected spending increase is highly uneven; spending on Social Security and the major health care programs will surge from 10.2 percent of GDP to 15.7 percent, while all other noninterest spending will shrink from 9.0 percent of GDP to 7.4 percent.

Addressing the fiscal imbalance will require reductions in Social Security and health care spending, revenue increases or both.

Q. Why is the growth of the national debt concerning?

The CBO has explained that higher debt will slow long-run economic growth by crowding out private investment and pushing up interest payments to foreigners who hold Treasuries. It may also increase the risk of a crisis in which investors demand higher interest rates for federal debt. Higher debt may also lead to higher inflation expectations and may reduce flexibility to respond to unforeseen events.

When addressing the fiscal imbalance, time is not on our side. Delay will only make the necessary responses more painful. The CBO estimated in September 2020 that holding the 2050 debt to its 2019 share of GDP would require permanent tax increases or spending cuts equal to 3.6 percent of GDP, if those measures took effect in 2025. The required mag-

nitude of the tax increases or spending cuts would rise to 4.4 percent of GDP if action were delayed to 2030 and to 5.9 percent if action were put off to 2035.

Although it would be unwise to implement major tax increases or spending cuts while the economy is still weakened by the pandemic, action should be taken as soon as possible after the economy regains its strength.

Q. You have proposed implementing a national value-added tax (VAT) to boost revenue. What is a VAT and how does it differ from a retail sales tax?

The VAT is a consumption tax that is used in 160 countries, including all Organization for Economic Cooperation and Development (OECD) countries other than the United States. A VAT is economically similar to a retail sales tax but is collected in a different manner.

While the retail sales tax is collected entirely from the retailer, part of the VAT is collected at each stage of production. The multistage collection ensures that the entire revenue cannot be lost through tax evasion at a single stage of production.

Suppose that a manufacturer sells its output for \$500 to a wholesaler, which sells its output for \$800 to a retailer, which sells a final product to consumers for \$1,000. Of the \$1,000 value of the final product, \$500 is added at the manufacturing stage, \$300 at the wholesale stage and \$200 at the retail stage.

Under a retail sales tax, the retailer remits tax on the \$1,000 of sales to consumers. Under a VAT, the manufacturer remits tax on its \$500 of value added, the wholesaler remits tax on its \$300 of value added, and the retailer remits tax on its \$200 of value added, yielding the same combined tax payment as the retail sales tax.

Q. A VAT would raise taxes on the middle class. Could this be avoided by relying instead on tax increases that target corporations and high-income households? What about benefit cuts?

Although tax increases on corporations and high-income households as well as benefit cuts could be part of a debt-reduction package, they cannot



▶ *Although it would be unwise to implement major tax increases or spending cuts while the economy is still weakened by the pandemic, action should be taken as soon as possible after the economy regains its strength.*

provide a full solution to the long-term fiscal imbalance.

High-income tax increases would reduce inequality and place fiscal burdens on those with the greatest ability to pay, but they would also induce economic distortions, thus threatening long-run growth. The individual income tax and the estate and gift tax penalize saving. The corporate income tax distorts decisions about business organization and financing and penalizes investment in the United States. None of those penalties arise under a VAT.

Also, such tax increases would have limited revenue potential. Even commentators who support these kind of measures recognize that they would not raise enough revenue to fully address the fiscal imbalance and would have to be accompanied by other measures.

Restraining the rapid projected growth of Social Security and the major health care programs could significantly narrow the fiscal imbalance and could even promote long-run economic growth by encouraging additional saving.

However, benefit cuts would be severely regressive, placing far larger burdens relative to income on lower-income households than higher-income households. For example, the burden imposed by across-the-board Social Security benefit cuts would be approximately 100 times larger as a share of income for the bottom 20 percent of the income distribution than for the top 1 percent.

Significant benefit cuts would also face formidable political challenge. Most Democrats oppose benefit cuts, and many of them support benefit increases. Although Republicans often support benefit cuts in the abstract, they generally refrain from proposing

specific cuts. Benefit reductions may be even harder to achieve in the wake of the pandemic, which may have permanently increased public support for a generous safety net.

Q. Aren't consumption taxes regressive? Wouldn't a VAT hurt low-income families who save less and spend more of their income?

In isolation, the VAT is regressive. The Urban-Brookings Tax Policy Center has estimated that a 5 percent broad-based VAT would reduce after-tax income by 3.9 percent for households in the bottom 20 percent of the income distribution, 3.6 percent for households in the middle 20 percent and 2.5 percent for households in the top 1 percent.

Nevertheless, the VAT is far less regressive than benefit cuts. Under a VAT, the burden on the bottom 20 percent as a share of income would be less than double the burden on the top 1 percent, not 100 times greater as under across-the-board Social Security benefit cuts. Rejecting a VAT based on its regressivity would be a pyrrhic victory if it caused the fiscal imbalance to instead be addressed through benefit cuts that were vastly more regressive.

Moreover, a VAT should—and undoubtedly would—be accompanied by rebates to offset the tax burden on low-income households. The Tax Policy Center estimated that a 7.7 percent VAT with rebates, which would raise the same net revenue as a 5 percent VAT without rebates, would generally be progressive. It would reduce after-tax income by 0.6 percent for the bottom 20 percent, 2.9 percent for the middle 20 percent and 3.6 percent for the top 1 percent.

Finally, it is important to remember that the VAT would be only one component of the federal tax system. Individual and corporate income taxes would continue to add progressivity to the overall federal tax system.

Q. What do you tell voters who are concerned that additional revenue will prompt the government to spend more rather than shrink the national debt?

Some have argued that a VAT would fuel the growth of government spending because it would be a relatively invisible tax. That concern could be addressed by requiring that the tax be listed as a separate item on customer receipts, as is normally done for state and local retail sales taxes.

The VAT would then likely be at least as visible as employee payroll taxes and individual income tax withholding, which are displayed as line items on paycheck stubs and would be much more visible than corporate income taxes and employer payroll taxes, which are largely hidden from public view.

To be sure, even if the VAT is listed on customer receipts, its enactment could reduce pressure for benefit cuts. Those who believe that benefit cuts are the best debt-reduction strategy may thus be tempted to delay or avert the adoption of a VAT. However, they should consider the political and economic limitations of benefit cuts and weigh any possible gains against the costs of delaying action on the fiscal imbalance.

COVID-19 Poses Stubborn Challenge to Economic Growth in Mexico

By Jesus Cañas and Chloe Smith

ABSTRACT: Mexico, confronting a high rate of COVID-19 infection and an ineffectual medical response, recorded the largest decline in gross domestic product in a quarter century last year. While manufacturing trade with the U.S. provided economic support, the large and hard to reach off-the-books informal sector proved more troublesome and will play an important role in the nation's performance in 2021.

With COVID-19 sweeping across the world, Mexico's gross domestic product (GDP) contracted the most in a quarter century in 2020.

The Mexican economy has since proceeded along two tracks—external trade-related sectors performing well, and the service sector struggling. Workers have been especially hard hit in the informal sector—where activity is not reported to the government and whose participants do not pay employment taxes or receive government-mandated benefits and pensions. They have suffered the largest job losses.

Insufficient fiscal stimulus from the government has likely contributed to shrinking GDP.

While COVID-19 cases have dropped sharply since hitting a postholiday peak in January, strict social-distancing measures will be needed to minimize the likelihood of another infection wave given that a national vaccine program is proceeding very slowly.

Testing for the virus remains an ongoing challenge. Mexico has not followed the World Health Organization's testing recommendation, arguing that the country lacks proper infrastructure. Mexico tests only the sickest patients who seek medical attention. There are few prevention measures and little contact tracing.

Recent Economic Developments

The Mexican economy shrank 4.5 percent in 2020 as the pandemic ravaged factories, businesses and households. It was the greatest contraction since the 1994 Tequila Crisis that followed a peso devaluation.¹ The latest decline compared with the downturn in Chile (-5.0 percent) and was more severe than the ones in the U.S. (-2.4 percent)

and in Brazil (-1.2 percent), the largest economy in Latin America.

Output in service-related activities (including trade and transportation) dropped 5.2 percent in Mexico, while goods-producing industries (including manufacturing, construction and utilities) fell 0.5 percent. Agricultural output increased 4.4 percent.

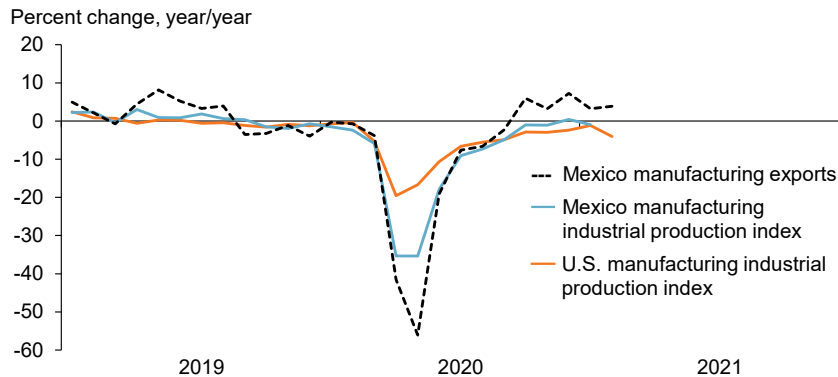
As in other countries, COVID-19 disproportionately affected the service industry, particularly leisure and hospitality—businesses such as hotels and restaurants. While e-commerce thrives, brick-and-mortar retail has suffered. Because e-commerce is tiny in Mexico by developed-country standards, it has provided little offset for the decline in the traditional service sector.

Additionally, the government has provided scant fiscal support for the economy. Mexico's stimulus plan—which includes a mix of loans and tax credits, tax payment deferrals and job training—amounts to 1.1 percent of GDP compared with plans in Brazil (8.4 percent) and Chile (4.7 percent).

Mexico's real retail sales index remains 5.5 percent below levels seen in February 2020, while Chile's retail sales are 4.3 percent above its pre-COVID-19 performance as the country regained prepandemic levels in August. Brazil's sales began rebounding in June 2020 and expanded during third quarter 2020, recovering to levels seen before the pandemic despite a resurgence of the virus.

Although Mexico's lack of fiscal stimulus has hurt households and businesses, it has helped the government avoid large deficits and accompanying inflation that could depress the currency. The peso regained much of its strength relative to the dollar in the second half of 2020 after sliding with

CHART 1 Mexico's Manufacturing Production, Export Growth
Return to Prepandemic Levels



SOURCES: Mexico's National Institute of Statistics and Geography (INEGI); Banco de México; Federal Reserve Board.

the onset of the pandemic. The peso averaged 19.9 per dollar in December, a net depreciation of 1.1 pesos for the year.

Inflation finished 2020 at 3.1 percent in December (12-month change), firmly within the central bank's target range.² Mexico's refusal to boost public spending to mitigate COVID-19's economic impact will likely result in the lowest budget deficit among Latin America's major economies in 2020, though its recovery is likely to lag behind the region.

Strong Manufacturing Output

Mexico's manufacturing production and manufacturing exports are above pre-COVID-19 levels, reflecting

a strong correlation with what has been a resilient U.S. manufacturing sector (*Chart 1*).³ These ties between the two countries, largely involving intra-industry trade, took root and grew with the 1994 North American Free Trade Agreement, which was recently supplanted by the United States–Mexico–Canada Agreement (USMCA).

Manufacturing exports represent 90 percent of total exports, and Mexico sends 81 percent of its total exports to the U.S. Thus, U.S. economic stimulus bolsters Mexico's manufacturing export sector. Higher global oil prices are a tailwind for Mexico's recovery, with the price of Mexican mix at around \$50 per barrel, up from \$17 per barrel in

April. Crude oil production in Mexico is down 50 percent in the past 10 years, however.

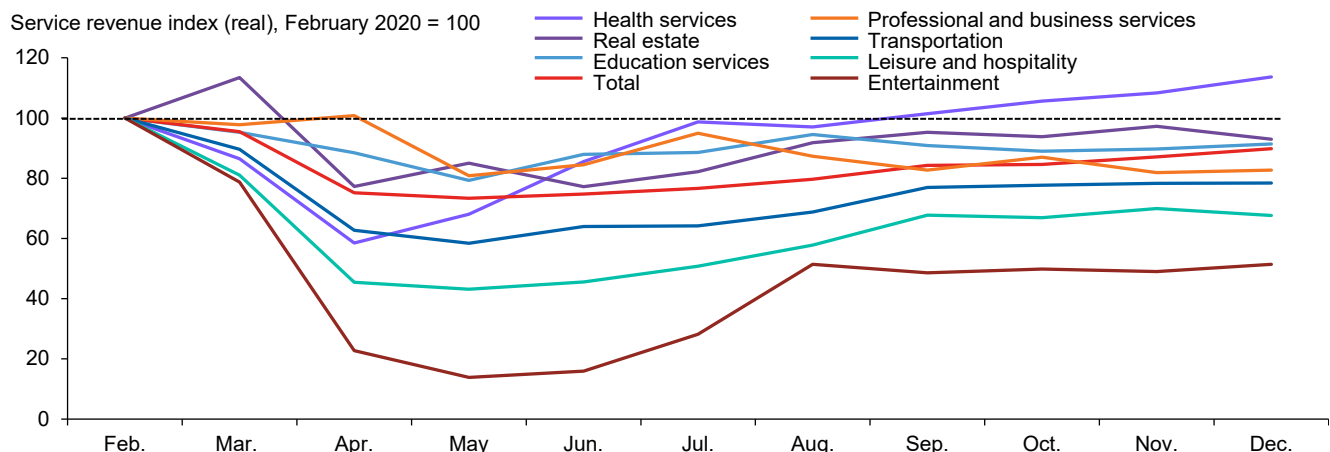
Normalization of trade flows between the United States and Mexico has helped speed a sectoral manufacturing recovery.

Meanwhile, the performance of Mexico's service sector has not recovered, although the extent of progress varies by industry (*Chart 2*). Revenue in health care services, real estate, education, and professional and business services has been the most resilient. However, output in entertainment (down 49 percent from prepandemic levels), leisure and hospitality (off 32 percent) and transportation services (down 22 percent) have proven the most vulnerable.

Mexico's large informal sector challenges economic recovery as well as efforts to contain the virus' spread. Mexico's national employment survey pegged total employment at 53.3 million in December 2020, with formal employment representing 44 percent of the total and informal employment 56 percent.

The majority of informal work is in high-contact industries such as retail trade, miscellaneous services (temporary workers and gig labor) and construction. Informal work produces 23 percent of GDP, according to Mexico's National Statistics Institute (INEGI).

CHART 2 Recovery in Mexico's Service Sector Stalls Under Weight of COVID-19 Infection



NOTE: Seasonally adjusted by authors.

SOURCE: Mexico's National Institute of Statistics and Geography (INEGI).

Unlike workers in the formal economy, who benefit from legal and social protections, informal workers lack such a safety net. They are mostly self-employed, working in street vending, domestic work and transportation. Some also work as off-the-books day laborers in factories, farms and other formal businesses that don't extend full rights or protections to all employees.

Pandemic control measures, such as sheltering in place and social distancing, achieved more inconsistent adoption in the informal sector relative to the formal sector. The informal sector's behavior and its likely ties to recurring waves of COVID-19 infections could be key to the introduction of any future national government-mandated restrictions—ones that might well slow an economic recovery.

Disproportionate COVID-19 Impact

Total Mexico employment fell 3.7 percent from March 2020 to December 2020. Formal employment dropped 2.6

percent (626,000 jobs) and informal employment fell 4.5 percent (1.4 million jobs) (*Table 1*). The most-affected sector was leisure and hospitality, followed by miscellaneous services.

The largest employment base within the informal sector is in trade, agriculture and miscellaneous services (55 percent), while the highest concentration of formal jobs is in manufacturing, trade and social services (56 percent).

More women—particularly in the informal sector—have lost their jobs during the pandemic in developing economies such as Mexico, according to the World Bank. While men represent 61 percent of informal jobs, their employment only fell 2.4 percent. Among women—who account for 39 percent of informal jobs—employment dropped 7.6 percent.

Continued COVID-19 Outbreak

Mexico's first confirmed COVID-19 case was reported on Feb. 28, 2020, ultimately prompting public health

measures that included travel restrictions, social distancing, school closures and the shutdown of nonessential activities.

The government announced plans to begin normalization of economic activities in mid-May, including a green-yellow-orange-red color system to represent the extent of activities allowed in individual states. For example, states with the most active cases were designated as red and would remain in forced quarantine. Officials also added construction, mining and transport equipment manufacturing to the list of essential activities.

Mexico's COVID-19 cases spiked first in early August before reaching a second peak in December and an all-time high in late January. Recently, cases per 100,000 people have fallen in Mexico, while a new surge has begun in Chile and Brazil (*Chart 3*).

Mexico isn't performing widespread COVID-19 tests of its population—just 12 tests per 100,000 people. Mexico's

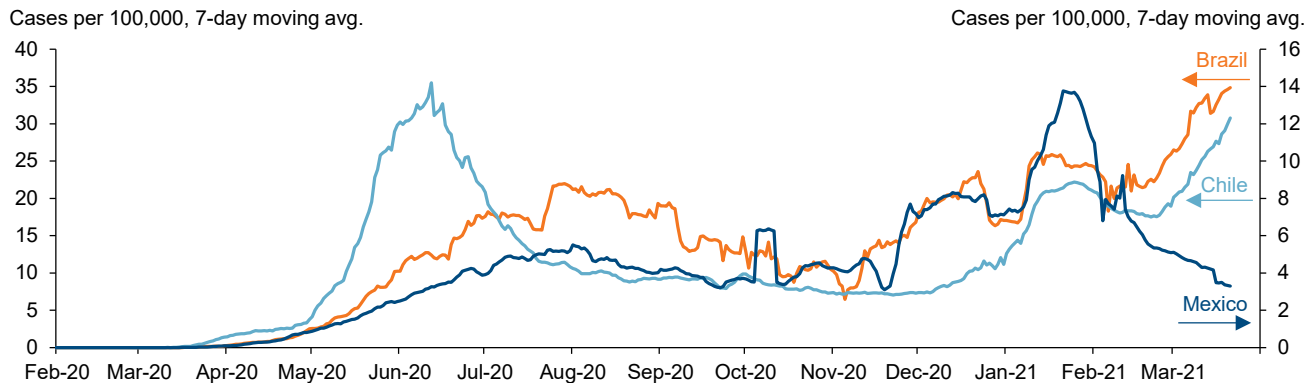
TABLE
1

Mexico's Total Employment Shows Strains of Recurring Pandemic Surges

Economic sector	Total employment (millions of workers)	Dec/Mar chg (%)	Share (%)	Formal employment (millions of workers)	Dec/Mar chg (%)	Share (%)	Informal employment (millions of workers)	Dec/Mar chg (%)	Share (%)
Total	53.3	-3.7	100.0	23.7	-2.6	100.0	29.6	-4.5	100.0
Leisure and hospitality	3.7	-17.5	6.9	1.0	-23.5	4.3	2.6	-15.0	8.9
Miscellaneous services	5.2	-8.6	9.8	1.0	-8.0	4.1	4.3	-8.8	14.4
Oil, mining and electricity generation	0.4	-4.8	0.7	0.3	-8.1	1.3	0.1	17.3	0.2
Transportation, communications and warehousing	2.7	-4.4	5.1	1.4	2.6	6.1	1.3	-11.1	4.4
Manufacturing	8.7	-4.3	16.3	5.4	-4.8	23.0	3.3	-3.5	11.0
Professional and financial services	3.8	-3.9	7.1	2.7	-1.1	11.4	1.1	-10.3	3.6
Trade	10.6	-1.4	19.9	4.3	0.7	18.2	6.3	-2.8	21.3
Construction	4.3	-1.0	8.0	0.9	-9.3	3.7	3.4	1.3	11.5
Social services	4.4	-0.3	8.3	3.6	2.0	15.3	0.8	-9.5	2.7
Agriculture	6.7	1.6	12.5	0.9	-2.0	3.6	5.8	2.2	19.6
Government	2.5	2.8	4.8	2.1	2.7	8.9	0.4	3.2	1.5
Other	0.3	-9.0	0.6	0.0	38.4	0.2	0.3	-14.5	0.8

NOTE: Rank is in terms of total employment losses.

SOURCE: National employment survey, December 2020, Mexico's National Institute of Statistics and Geography (INEGI).

**CHART
3****COVID-19 Cases Falling in Mexico After Spiking in January**

NOTE: Data are through March 21, 2021.

SOURCES: Johns Hopkins University; United Nations.

46 percent positivity rate—second only to Paraguay worldwide—is an indication that only the sickest patients seeking medical attention are tested. Absent contact tracing or widely administered medical treatment, detecting a new wave of infections is difficult.

Governments should see positivity rates below 5 percent for at least 14 days before relaxing social-distancing measures, according to the World Health Organization. Nevertheless, restrictions in Mexico were lessened as the holiday wave waned.

In the March 1-14, 2021, monitoring report, none of the Mexican states were in red for the first time since late September/early October 2020. Ten states were in orange, the second-most restrictive tier; 20 states were in yellow; and two states were in green, the point at which activities are allowed without restriction.

Vaccinations began in late December, when Mexico became the first Latin American country to receive a vaccine shipment. The inoculation effort has since stalled due to mismanagement and a global vaccine shortage. Just 0.5 percent of the population was fully vaccinated as of mid-March, according to the Johns Hopkins Coronavirus Resource Center.

Challenging Economic Outlook

Mexico's economic recovery is largely confined to its manufacturing sector, which is filling production orders from its northern neighbor. Manufactur-

ing has dealt with comparatively few restrictions and largely avoided disruption in North American supply chains, a situation unlikely to change.

By comparison, a service sector recovery is hindered by suppressed domestic demand, social-distancing measures and little government assistance. The lack of fiscal stimulus has left many households and businesses with significant income loss that will remain a headwind to the recovery.

The consensus forecast compiled by Banco de México for 2021 GDP growth is 3.9 percent, with a projected exchange rate of 20.3 pesos per dollar and year-end inflation of 3.9 percent.⁴ However, the pandemic remains far from controlled, and supply and logistical issues have slowed vaccination progress. Additionally, the dearth of testing will complicate the timely detection of future COVID-19 incidents, impeding an economic recovery.

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Notes

¹ GDP growth is calculated comparing fourth quarter 2020 with fourth quarter 2019. If the estimation is computed as Mexico's National Institute of Statistics and Geography (INEGI) officially calculates growth—the averaging of year-over-year quarterly growth throughout

the year—GDP fell 8.7 percent.

² For a more complete Mexico economic update, see www.dallasfed.org/research/update/mex.

³ "Intra-Industry Trade with Mexico May Aid U.S. Global Competitiveness," by Jesus Cañas, Aldo Heffner and Jorge Herrera Hernández, Federal Reserve Bank of Dallas *Southwest Economy*, Second Quarter, 2017.

⁴ Communiqué on Economic Expectations, Banco de México, February 2021. The survey period was Feb. 24–26, 2021.

Pandemic Pushes Texas Minority Unemployment Beyond Highs Reached During Great Recession

By Carlee Crocker and Pia Orrenius

Recessions are hardest on minorities; the COVID-19 downturn is no different in that regard. Texas is a majority minority state—more than half of Texas' population is Hispanic or Black—and the consequences are far-reaching if those groups lag behind economically.

Once the pandemic hit, the state lost 1.4 million jobs from February to April 2020, and the unemployment rate shot up to 12.9 percent. The recovery that began in May has been slow, hampered by the repeated resurgence of the virus. Texas' unemployment rate of 6.9 percent at year-end was well above what it was before COVID-19 hit (3.7 percent), and more than 625,000 jobs were lost.

One year into the pandemic, Texas' labor market disparities are glaring (*Chart 1*). About 9.3 percent of Hispanic workers were unemployed in February, 4.6 percentage points above prior-year levels. Roughly 12.4 percent of non-Hispanic Black workers were unemployed, 7.6 percentage points higher.

Unemployment among Black workers in Texas was more than twice that for non-Hispanic white workers, whose jobless rate was 5.1 percent in February, 2.6 percentage points above February 2020.

Early in the pandemic, as the government imposed lockdowns and only essential businesses remained open, the disparate impact on workers became clear. White-collar workers operating from home largely escaped job cuts, while blue-collar workers in essential businesses such as grocery stores remained on payrolls but were exposed to the risk of COVID-19 infection.

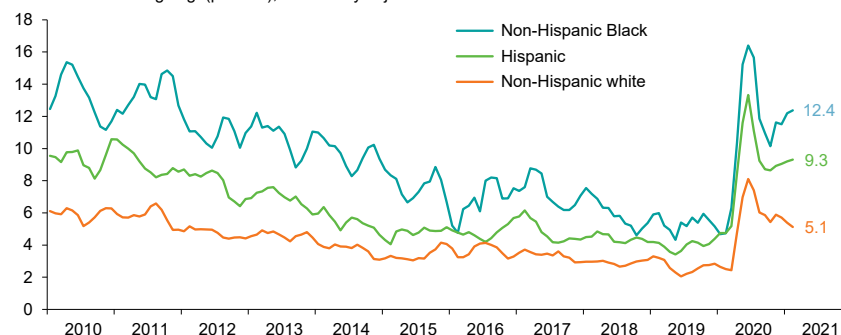
Jobs vanished for restaurant, bar and hotel workers and for businesses linked to arts and recreation, transportation and personal care.

Minorities are disproportionately employed in many of these generally lower-paying, face-to-face service industries,

CHART
1

Unemployment Rates Diverge, Minorities Fall Behind

Three-month moving avg. (percent), seasonally adjusted



NOTE: Texas data are through February 2021.

SOURCE: Current Population Survey.

partly because they have less education on average than non-Hispanic white workers. These workers also tend to be younger. And within all groups, women have been especially affected because they are disproportionately employed in the service sector and frequently must deal with parental duties.

Great Recession Comparison

At the height of the pandemic recession last spring, all groups' unemployment rates surpassed their Great Recession peaks. Black unemployment reached 16.4 percent; Hispanic joblessness hit 13.3 percent. However, most layoffs were temporary, and minority unemployment fell through the summer and fall as workers were called back. That trend reversed course in the fourth quarter when a second COVID-19 wave took hold, even as white unemployment continued to decline.

Workers dropping out of the labor force poses another pandemic-era concern. Black labor force participation fell dramatically in first quarter 2020 with the onset of COVID-19; non-Hispanic white worker declines occurred largely in the second quarter, a period that

included stay-at-home orders. By comparison, Hispanic labor force participation was little changed during the year.

Through February 2021, overall labor force participation rates remained below prepandemic levels.

In addition to direct stimulus payments, unemployed workers in the pandemic have received supplemental unemployment benefits and extended unemployment benefits. The benefits have also gone to the self-employed and other groups typically ineligible for unemployment insurance.

The initial provision of \$600 per week in supplemental benefits boosted earnings to such a degree that many beneficiaries earned more while unemployed than while working. The payments expired in the fall and were last renewed in March to run into early September at \$300 per week.

Thus, despite record-high unemployment rates, many who lost jobs during the pandemic could make ends meet because of governmental support. After federal assistance ends, a large number of Texans—many of them minorities—will need job opportunities if they are to get back to work.

Collapsing Fuel Demand Tanks Texas Exports During Pandemic's Peak

Design: Justin Chavira; Content: Emma Marshall, Pia Orrenius

The COVID-19 pandemic wreaked havoc on Texas energy exports.

U.S. energy exports excluding Texas were dramatically less affected.

Texas Energy Exports Fell

53%

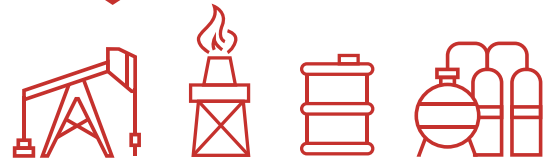
February to May 2020

16%

U.S. (minus Texas) Energy Exports Fell

Texas energy exports make up **half** of total Texas exports.

Texas energy exports include: crude oil, natural gas, petroleum products and petrochemicals.



U.S. (minus Texas) Total Exports Fell

29%

Texas Total Exports Fell

45%

February to May 2020

The decrease in Texas energy exports was a big factor in the drastic drop in total exports for the state.

In comparison, the drop in U.S. total exports excluding Texas was less severe.

As of December 2020, Texas energy exports and total exports are recovering to prepandemic levels.

Texas Energy Exports Recovered to

78%

of prepandemic levels
as of December 2020

Texas Total Exports
Recovered to **85%**

App.038

NOTES: Natural gas prices refers to the Henry Hub spot price for natural gas. Leaderboard rankings are based on country refining capacity for Jan. 1, 2015, and Jan. 1, 2018.
SOURCES: Energy Information Administration; *Oil and Gas Journal*, Worldwide Refining Survey.

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SNAPSHOT

Dining Out Picks Up in Texas, Houston

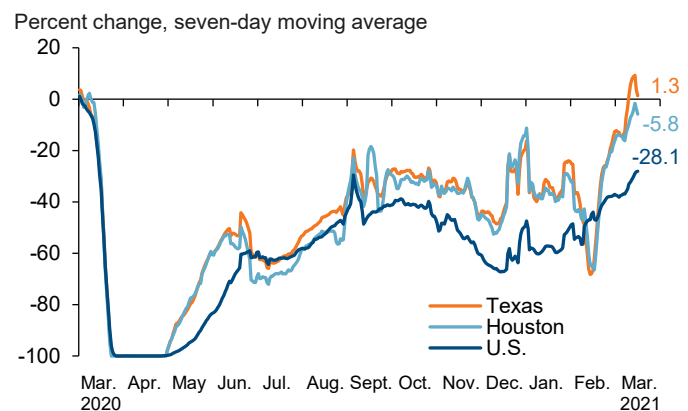
The number of patrons dining at restaurants surged in Texas and Houston after the state thawed from a deep freeze in February and COVID-19 constraints on restaurants and bars were lifted March 10. The uptick also reflected improving COVID-19 statistics and the arrival of spring break.

The number of reservations relative to the same time in 2019 suggests restaurant dining is approaching more normal levels. In Houston, restaurant demand climbed to 6 percent below the base level during the seven days ended March 23, according to OpenTable data (*Chart 1*). Texas was up 1 percent, while the nation overall was off 28 percent.

During the first spring break weekend, March 13–14, restaurant reservations statewide rose 12 percent compared with the same weekend in 2019. The following weekend, March 20–21, reservations were up 16 percent.

—Adapted from *Houston Economic Indicators*,
March 22, 2021

CHART 1 Restaurants Seating More Diners as State Eases Restrictions



NOTES: Data refer to the percent change in seated diners at restaurants from the corresponding day in 2019 on the OpenTable network across all channels: online reservations, phone reservations and walk-ins. Numbers at right are the values on March 23, 2021.
SOURCE: OpenTable.



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Southwest Economy

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
DEFENDANTS' MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

Biennial Revenue Estimate – 2022 - 2023 Biennium – 87th Texas Legislature – January 2021

EXHIBIT A-3

2022-2023 Biennium

BIENNIAL

87th Texas Legislature

REVENUE

January 2021

ESTIMATE



GLENN HEGAR

Texas Comptroller of Public Accounts

Glenn Hegar

Texas Comptroller of Public Accounts

January 11, 2021

The Honorable Greg Abbott, Governor
The Honorable Dan Patrick, Lieutenant Governor
Speaker of the House
Members of the 87th Legislature

Ladies and Gentlemen:

In accordance with Article III, Section 49a of the Texas Constitution, I present my revenue estimate for the remainder of fiscal 2021 and the upcoming 2022-23 biennium.

For 2022-23, the state can expect to have \$112.5 billion in funds available for general-purpose spending, a 0.4 percent decrease from the corresponding amount of funds available for the 2020-21 biennium.

We project \$119.6 billion in total collections of general revenue-related (GR-R) funds. These collections are offset by an expected 2020-21 ending GR-R balance of *negative* \$946 million. In addition, \$5.8 billion must be reserved from oil and natural gas taxes for 2022-23 transfers to the Economic Stabilization Fund (ESF) and the State Highway Fund (SHF); another \$271 million must be set aside to cover a shortfall in the Texas Guaranteed Tuition Plan, also known as the Texas Tomorrow Fund.

The projected negative ending balance in 2020-21 is a direct result of the COVID-19 pandemic, which caused revenue collections to fall well short of what was expected when the 86th Legislature approved the 2020-21 budget. The projected shortfall does not account for any GR-R expenditure reductions resulting from the state leadership's instructions for most state agencies to reduce spending by 5 percent of their 2020-21 GR-R appropriations. Nor does it incorporate the effects of substituting federal funds provided as pandemic-related assistance for some GR-R pandemic-related expenditures. Official action on either of those items could eliminate the projected shortfall.

Conversely, the projected balance does not include any GR-R spending authorized for a supplemental appropriations bill, which would increase the size of the shortfall. The final ending balance for this biennium, and thus the beginning balance for the next, will be determined by actions taken in the 87th legislative session and by actual revenue collections during the remainder of this fiscal year.

Tax revenues account for approximately 87 percent of the estimated \$119.6 billion in total GR-R revenue for 2022-23. Sixty-two percent of GR-R tax revenue will come from net collections of sales taxes, after \$5 billion is allocated to the SHF, as authorized by the Texas Constitution. Other significant sources of general revenue include motor vehicle sales and rental taxes; oil and natural gas production taxes; the franchise tax; insurance taxes; collections from licenses, fees, fines and penalties; interest and investment income; and lottery proceeds.



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January 11, 2021
Page 2

In addition to GR-R funds, we expect the state to collect \$98.2 billion in federal income as well as \$52.7 billion in other revenues dedicated for specific purposes and therefore unavailable for general-purpose spending. We project that revenue collections from all sources and for all purposes will total \$270.5 billion.

Absent any new appropriations by the Legislature, we project the ESF balance to be \$11.6 billion at the end of the 2022-23 biennium, below the ESF constitutional limit of an estimated \$19.7 billion.

The COVID-19 pandemic and a collapse in oil prices resulted in a severe contraction of the Texas economy over the first and second quarters of calendar 2020. Economic growth subsequently rebounded sharply but gross state product (GSP) and employment remain well below their pre-pandemic levels. Rising COVID-19 case counts have increased the chances of a “double-dip” recession with a second economic contraction in late 2020 and early 2021. Whether that happens or economic growth merely slows from the robust rates seen in the initial rebound from spring will depend on how consumers and businesses behave in the face of the recent surge in positive cases. In any case, this estimate assumes that economic output will not return to pre-pandemic levels until 2022.

We project that Texas’ economic growth in the 2022-23 biennium, as measured by real GSP, will average 4.2 percent annually. We expect personal income in 2022-23 to increase by an average of 4.8 percent annually, compared to an annual average of 1.2 percent for 2020-21. After falling in the 2020-21 biennium as a result of the pandemic, we expect employment growth in 2022-23 to average 2.7 percent annually.

The U.S. and Texas economies have performed better than expected since we released a revised Certification Revenue Estimate in July 2020. Sales tax revenues, buoyed by strong online sales and spending on building materials, home furnishings and sporting goods in particular, have exceeded our expectations. Oil prices and production also rebounded after collapsing in the spring. As a result, the projected GR-R shortfall for 2020-21 is substantially improved from our July forecast.

Even so, risks remain, particularly given the recent surge in COVID-19 cases in Texas and across the nation.

This forecast assumes continued but moderating economic impacts from the COVID-19 pandemic and from decreased oil production and prices. It does not incorporate any possible impacts of additional, unanticipated one-time or unusual events that could affect economic performance and revenue collections.

Several things could cause actual revenue collections to fall short of this forecast’s expectations, including an increased spread of the COVID-19 virus and the possibility of a significant reduction in consumer activity as a result. A reversal of job gains and a renewed rise in unemployment rates, combined with ongoing increases in the number of long-term unemployed, could drag economic growth back down. Oil and natural gas prices remain volatile and a return to lockdowns in the U.S. or elsewhere could result in a further drop in prices and production.

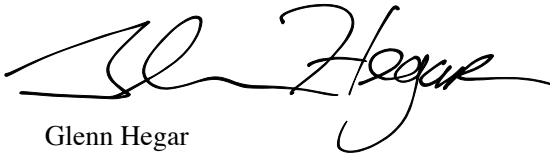


January 11, 2021
Page 3

On the other hand, there is a possibility that economic growth and revenue collections could exceed this forecast's projections. Effective COVID-19 vaccines, combined with household savings that have risen during the pandemic as some consumer debt has declined, could support a substantial boost in consumer spending. Business investment and spending could increase as a result of an improved outlook due to effective vaccines. A new round of federal assistance for individuals, businesses, cities and states, signed into law in late December, also could stimulate economic activity. It is possible, therefore, that economic growth could rebound more strongly and sooner than this forecast assumes, and there is some potential for revenue collections in 2022-23 to outpace our expectations, perhaps substantially.

In summary, while uncertainty remains high, our Texas economic forecast for the 2022-23 biennium is based on an expectation of growth rates somewhat higher than those experienced over the last decade. In the event of significant changes in economic conditions or other relevant factors, this estimate will be updated to ensure that your deliberations are based on the most accurate and timely information available.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Hegar", written over a horizontal line.

Glenn Hegar
Texas Comptroller of Public Accounts

cc: Jerry McGinty, Legislative Budget Board



2022-2023 Biennium

BIENNIAL REVENUE ESTIMATE

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Texas Biennial Revenue Estimate

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Note: This report contains estimates and projections that are based on available information, assumptions and estimates as of the date of the forecasts upon which they are based. Assumptions involve judgments about future economic and market conditions and events that are difficult to predict. Actual results could differ from those predicted, and the difference could be material.

The spreadsheets in this report are available in accessible data form (Excel) at <https://comptroller.texas.gov/transparency/reports/biennial-revenue-estimate/2022-23/docs/bre-2022-23.xlsx>.

2022-2023 Biennium

BIENNIAL REVENUE ESTIMATE

Revenue Overview

The state of Texas will have an estimated \$112.5 billion available for general-purpose spending in the 2022-23 biennium. This figure represents the sum of the 2020-21 ending deficit, 2022-23 tax revenue and 2022-23 non-tax receipts, less estimated transfers to the Economic Stabilization Fund (ESF), State Highway Fund (SHF) and Texas Tomorrow Fund, as well as adjustments to general revenue dedicated account balances.

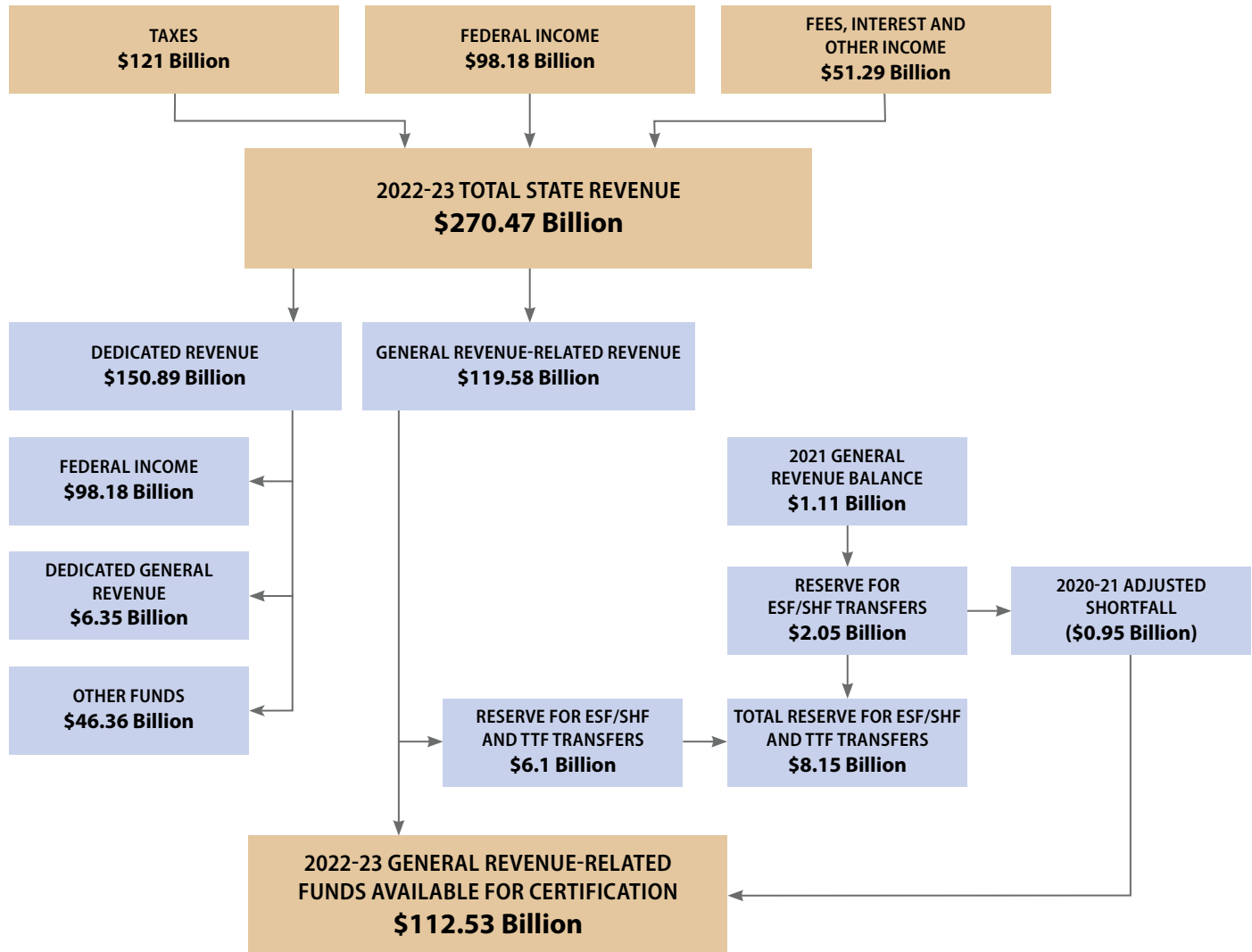
Aside from certain fund balances, only five funds affect the discretionary spending detailed in the General Appropriations Act. These funds, referred to as “general revenue-related funds” (GR-R), are the General Revenue Fund, the Available School Fund, the State Technology and Instructional Materials Fund, the Foundation School Account and the Tobacco Settlement Account. While not technically “general revenue-related funds,” both the Property Tax Relief Fund and the Tax Reduction and Excellence in Education Fund, which receive a portion of collections from franchise, cigarette and sales taxes, offset the need for general revenue to fund appro-

priations for public education. The remaining funds depend upon federal receipts or revenues that are dedicated by the Texas Constitution or state law; a prime example is the constitutionally dedicated Permanent University Fund.

The state’s tax system is the main source of GR-R funding. Tax collections in 2022-23 will generate an estimated \$103.93 billion while non-tax revenues will produce an additional \$15.65 billion. Factoring in the estimated \$946 million ending deficit carried forward from 2020-21, the total of these three sources is \$118.63 billion. Against this amount, \$5.83 billion must be placed in reserve for future transfers to the ESF and SHF, and an additional \$271 million must be set aside for constitutionally guaranteed payments to the state’s original prepaid tuition plan, the Texas Tomorrow Fund. This is expected to result in a net \$112.53 billion available for general-purpose spending in the 2022-23 biennium, 0.4 percent less than in 2020-21.

Taking all state revenue sources into account, the state is expected to collect \$270.47 billion in revenue for all state funds in 2022-23 (see **Figure 1**). ☼

FIGURE 1

Flow of Major Revenues for the 2022-23 Biennium

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

2022-2023 Biennium

BIENNIAL REVENUE ESTIMATE

Texas Economic Outlook

The Comptroller's Fall 2020 economic forecast, as reported in this Biennial Revenue Estimate (BRE), projects that Texas economic output will be lower in fiscal 2021 than in fiscal 2020. Though growth resumed following a steep drop in the first and second quarters of calendar 2020, and economic output at the end of fiscal 2021 is expected to be higher than it was at the end of fiscal 2020, average output and employment across all of fiscal 2021 is projected to fall short of the averages achieved in fiscal 2020, during the first half of which output and employment peaked. The COVID-19 pandemic and a steep drop in oil prices and production caused a record collapse in output and employment; many months will elapse before a return to pre-pandemic levels.

As a result of the economic impact of the COVID-19 pandemic, as well as a drop in oil prices, Texas real gross state product (GSP) fell by an estimated 1.0 percent in fiscal 2020, after growth of 3.9 and 4.4 percent in 2018 and 2019, respectively.

From August 2019 to August 2020, the Texas economy lost 611,500 nonfarm jobs. This employment decrease of 4.8 percent was the second-smallest percentage loss during this period among the 10 most populous states (behind Georgia at 4.0 percent) and the 17th-smallest loss among U.S. states. Private-sector employment fell by 5.4 percent, while government employment (federal, state and local) fell by 1.2 percent.

The Comptroller forecasts a further employment loss of 26,700 (on an annual average basis) in fiscal 2021. Employment growth is projected to resume in 2022, with estimated gains of 269,000 in that year and

421,600 in 2023. Texas real GSP is expected to follow a similar pattern, with a decline of 1.3 percent in 2021 followed by growth of 3.7 and 4.6 percent in 2022 and 2023, respectively (see **Table 1**).

Texas Employment

After 113 consecutive months of employment growth, the U.S. economy lost 1,373,000 jobs in March 2020, the largest decrease seen since September 1945, when post-war employment fell by 1,959,000. U.S. employment then fell by a further 20,787,000 in April 2020. Although employment has risen in every month since, total U.S. nonfarm employment in August was still 11.4 million below the February 2020 peak.

During the lengthy period of U.S. employment expansion, Texas saw five months with employment losses; prior to 2020, the most recent (and largest) was 13,100 in July 2017. In March 2020, Texas employment declined by 89,900, followed by a loss of 1,322,000 jobs in April. As with the U.S., job growth resumed in May, but August total employment was still more than 792,000 below the February peak.

In August 2020, the Texas unemployment rate was 6.8 percent, up from 3.5 percent in August 2019. The U.S. unemployment rate rose from 3.7 percent to 8.4 percent over that period. August 2020 unemployment rates in the state's metropolitan areas ranged from a low of 4.1 percent in Amarillo to a high of 10.7 percent in Odessa. As of November 2020, the Texas unemployment rate was 8.1 percent and the national rate was 6.7 percent. Total employment in Texas as of November remained 569,000 below its February 2020 peak.

Texas Industry Performance

Ten of Texas' 11 major nonfarm industries experienced net job losses from August 2019 to August 2020. Employment in the goods-producing industries fell by 7.1 percent, while employment in service-providing industries fell by 4.3 percent. Employment decreased in all three goods-producing industries (mining and log-

ging, manufacturing and construction), led by a 59,300 decrease in mining and logging employment, which also saw the largest rate of contraction (23.9 percent) among all major industries. The only industry to experience employment growth was in the service sector; employment in financial activities rose by 0.2 percent, because gains in the finance and insurance sector were slightly

TABLE 1

Texas Economic History and Outlook for Fiscal Years 2017 to 2023

Fall 2020 State Economic Forecast

	2017	2018	2019	2020*	2021*	2022*	2023*
TEXAS ECONOMY							
Real Gross State Product (Billions, 2012 \$)	1,630.9	1,695.3	1,770.2	1,752.7	1,729.6	1,793.6	1,876.4
<i>Annual Percent Change</i>	2.0	3.9	4.4	-1.0	-1.3	3.7	4.6
Gross State Product (Billions, Current \$)	1,635.9	1,770.4	1,868.1	1,844.3	1,833.3	1,922.1	2,037.2
<i>Annual Percent Change</i>	5.1	8.2	5.5	-1.3	-0.6	4.8	6.0
Personal Income (Billions, Current \$)	1,343.3	1,442.4	1,516.7	1,597.0	1,550.6	1,612.0	1,702.5
<i>Annual Percent Change</i>	5.6	7.4	5.2	5.3	-2.9	4.0	5.6
Nonfarm Employment (Thousands)	12,168.4	12,436.9	12,733.1	12,478.8	12,452.1	12,721.1	13,142.6
<i>Annual Percent Change</i>	1.6	2.2	2.4	-2.0	-0.2	2.2	3.3
Resident Population (Thousands)	28,244.7	28,589.1	28,950.2	29,293.5	29,631.4	29,994.8	30,378.3
<i>Annual Percent Change</i>	1.4	1.2	1.3	1.2	1.2	1.2	1.3
Unemployment Rate (Percent)	4.5	3.9	3.6	6.7	7.2	6.0	4.6
NYMEX Oil Price (\$ per Barrel)	48.77	60.58	59.62	45.46	44.00	49.00	55.00
NYMEX Natural Gas Price (\$ per Million BTUs)	3.04	2.88	2.99	2.09	2.60	2.75	2.65
U.S. ECONOMY							
Gross Domestic Product (Billions, 2012 \$)	18,023.3	18,574.2	18,981.7	18,537.8	18,894.9	19,329.2	19,819.2
<i>Annual Percent Change</i>	2.2	3.1	2.2	-2.3	1.9	2.3	2.5
Consumer Price Index (1982-84=100)	243.8	249.7	254.4	258.1	263.2	270.1	276.4
<i>Annual Percent Change</i>	2.1	2.4	1.9	1.5	2.0	2.7	2.3
Personal Consumption Expenditures Deflator (2012=100)	105.5	107.7	109.4	110.8	112.7	115.2	117.5
<i>Annual Percent Change</i>	1.7	2.1	1.6	1.3	1.7	2.2	2.0
Prime Interest Rate (Percent)	3.9	4.7	5.4	3.9	3.3	3.3	3.3

* Estimated or Projected

SOURCES: Glenn Hegar, Texas Comptroller of Public Accounts; and IHS Markit.

greater than losses in the real estate and leasing sector. Leisure and hospitality experienced the largest employment drop among all major industries.

Manufacturing

The Texas manufacturing industry lost 40,900 jobs in fiscal 2020, a decline of 4.5 percent. Durable goods employment fell by 35,100, with the largest losses seen in the fabricated metals (16,800) and machinery (10,500) manufacturing sectors. Both sectors are closely associated with oil and natural gas exploration and production, and employment in those sectors has been falling along with that of the mining industry. In all, durable goods employment fell by 6.0 percent in fiscal 2020. Nondurable-goods manufacturing employment fell by 5,800 or 1.8 percent. Texas manufacturing employment in August 2020 totaled 868,100.

In 2014, the value of Texas exports reached a record \$289 billion, 3.3 percent more than in 2013. Those exports provided a substantial boost to manufacturing, notably for companies producing chemicals, computers and electronics, petroleum products, industrial machinery and transportation equipment. In 2015, the value of Texas exports fell sharply (to \$251 billion, down 13.1 percent), hurt by falling oil prices and a stronger dollar. Texas exports continued to fall in 2016, down another 7.4 percent. In 2017, however, Texas exports rose by 13.5 percent from 2016's level, and by another 19.4 percent in 2018. In November 2019, for the first time since October 2016, monthly Texas exports decreased on a year-over-year basis; total 2019 exports were still 4.8 percent higher than 2018 exports. But exports have fallen sharply since March. For the period from January to August 2020, the value of Texas exports was 16.5 percent lower than that of the corresponding period in 2019. Texas nonetheless remains the nation's leading exporting state, as it has been for more than a decade. Texas exports comprised 20 percent of total U.S. exports in 2019.

In 2020, each manufacturing industry employee produced an estimated average gross product of \$279,000, almost twice the per-employee average for all industries. GSP attributable to Texas manufacturing activity was estimated at \$248 billion in fiscal 2020, up 1.2 percent from the 2019 total of \$245 billion.

Average manufacturing employment across fiscal 2021 is expected to be 3.1 percent lower than in fiscal 2020. It is expected to rise by 0.5 percent in 2022 and 1.7 percent in 2023.

Mining and Logging

Texas mining industry employment peaked at 321,900 in December 2014 and then declined to a low of 204,300 in September 2016. Industry employment then grew consistently for more than two years, reaching 256,200 in January 2019. Since that time, mining employment has fallen by 26 percent. From August 2019 to August 2020, mining employment fell by 59,300 with most (45,100) of that loss occurring since March 2020.

In addition to substantial exploration activities within the state and in the Gulf of Mexico, Texas is headquarters for many of the nation's largest oil and natural gas refining and distribution companies and has a large number of energy-related jobs in other industries. As in the mining industry, employment in those industries and sectors experienced significant declines during the year.

Average mining and logging employment is projected to be 20.9 percent lower in 2021 than in 2020. Industry employment growth is expected to resume in the coming biennium, with projected growth rates of 1.2 and 8.7 percent in 2022 and 2023, respectively.

Construction

Construction employment fell by 37,600 (4.8 percent) in fiscal 2020, reaching 741,500 in August 2020. Employment in the utility system construction sector fell by 12.2 percent (14,100), the highest rate of any construction sector.

Total housing construction activity, on the other hand, rose in fiscal 2020. Texas saw 134,013 single-family building permits issued in the year, up 15.3 percent from fiscal 2019. Building permits for multi-family units rose by 1.9 percent. According to Multiple Listing Service data from the Texas A&M Real Estate Center, the median sales price for an existing Texas single-family home rose by 8.2 percent, from \$245,000 in August 2019 to \$265,000 in August 2020. In August 2020, Texas had a 2.4 month inventory of existing homes for sale, which at the time was the lowest level seen since at least 1990. By November, inventory had fallen further, to 2 months.

Construction employment is expected to decline by 7.1 percent in fiscal 2021 and to rise by 1.8 and 3.3 percent in 2022 and 2023, respectively.

Service-Providing Industries

Texas' service-providing industries, which account for 85 percent of the state's total nonfarm employment, saw job declines of 4.3 percent in fiscal 2020. Seven of the eight service-providing industries saw job losses, with the highest rate of loss in leisure and hospitality services.

Professional and Business Services

Employment in the professional and business services industry fell by 25,000 jobs or 1.4 percent in fiscal 2020. Employment changes varied considerably among industry sectors, with the largest increases in management, scientific and technical consulting services (5.4 percent) and accounting and bookkeeping services (5.3 percent). The employment services sector, which includes temporary help agencies in which many jobs are temporary and/or part-time positions, saw both the largest absolute and largest percentage decreases in employment, falling by 29,500 or 9.8 percent. Total professional and business services employment was 1,776,500 in August 2020.

Industry employment is projected to fall by 1.1 percent in 2021 and to grow by an average 7.4 percent annually in the 2022-23 biennium.

Education and Health Services

Texas' education and health services industry, comprising the educational services and health care and social assistance sectors, lost 68,900 jobs in fiscal 2020, a decrease of 3.9 percent. The relatively small educational services sector saw a decrease of 14,800 jobs (6.8 percent). Employment in the much larger health care and social assistance sector fell by 3.5 percent (54,100 jobs). In all, Texas education and health services employment fell to 1,676,400 in August 2020.

Industry employment is projected to grow by 0.9 percent in 2021, and by an average of 2.5 percent per year in the 2020-21 biennium.

Financial Activities

In fiscal 2020, Texas employment in the financial activities industry rose by 0.2 percent or 1,400 jobs. Employment in the finance and insurance sector rose by 10,700 (1.9 percent) while real estate and rental and leasing employment fell by 9,300 (4.0 percent). Credit intermediation (which includes financial institutions such as banks) is the industry's largest sector, employing 274,400 as of August 2020. Total Texas financial activities industry employment reached 807,500 in August 2020.

Industry employment is projected to fall by 2.5 percent in 2021 and to grow at an average of 3.6 percent annually in the 2022-23 biennium.

Trade, Transportation and Utilities

The trade, transportation and utilities industry, the state's largest employer with 20 percent of total nonfarm jobs in August 2020, lost 73,100 jobs (2.9 percent) during fiscal 2020. Employment in all three industry sectors — retail trade, wholesale trade and transportation,

warehousing and utilities — fell during the year. Wholesale trade employment fell by 6.6 percent (40,500); transportation, warehousing and utilities employment fell by 2,700 (0.5 percent); and employment in retail trade fell by 29,900 (2.3 percent). In all, the trade, transportation and utilities industry provided 2,439,700 Texas jobs in August 2020.

Trade, transportation and utilities employment is projected to grow by 0.5 percent in 2020 and by an average of 0.3 percent annually in the 2022-23 biennium.

Information

The information industry is diverse, representing established sectors of the economy (newspaper publishing, data processing, television broadcasting and wired telephone services) as well as newer ones (cell phone service providers, internet providers and software publishers). The publishing sector saw the largest percentage fall in employment over the year (7.8 percent or 3,000 jobs). Total industry employment fell by 6.6 percent (13,700) to reach 195,300 in August 2020.

Industry employment is projected to grow by 4.9 percent in 2021 and by an average of 0.3 percent annually in the 2022-23 biennium.

Leisure and Hospitality

Texas employment in the leisure and hospitality industry fell by 246,800 (17.7 percent) during the fiscal year. The majority of the industry's job losses occurred in the food services and drinking places sector, which lost 167,000 jobs (14.9 percent). The largest percentage loss was in the amusement, gambling and recreation sector, which fell by 32.6 percent (37,700). Leisure and hospitality employment totaled 1,148,300 in August 2020, representing about 9 percent of total Texas employment.

Industry employment is projected to grow by 8.2 percent in 2021 and by an average of 3.5 percent per year in the 2022-23 biennium.

Other Services

The other services industry is a varied mix of business activities including repair and maintenance services; laundry services; religious, political and civic organizations; funeral services; parking garages; beauty salons; and a wide range of personal services. Personal and laundry services employment fell by 15.5 percent (18,700), the highest rate of decline among the other services sectors. In all, other services industry employment fell by 24,400 (5.5 percent) to 422,300 in August 2020.

Other services employment is projected to decline by 2.4 percent in 2021 and to grow at an average 4.0 percent annually during the 2022-23 biennium.

Government

Government employment in Texas decreased by 1.2 percent (23,200) in fiscal 2020. Federal employment rose by 27,600, largely on the strength of temporary census hiring. Local government employment decreased by 27,000 and state government employment fell by 23,800. Total government employment in Texas was 1,959,900 in August 2020.

Government employment is projected to rise by 0.5 percent in 2021 and by an average of 1.5 percent per year in the 2022-23 biennium.

The Economic Outlook for 2021 and the 2022-23 Biennium

Texas possesses inherent advantages — relatively low living costs, an attractive business climate, a central Sunbelt location and a balanced mix of industries — that have enabled its economy to grow faster than the nation's for many years. During the past 10 years, Texas real GSP rose by an average annual rate of 3.1 percent, while the economy of the nation as a whole grew by an

average 1.8 percent annually. The U.S. economy is projected to grow by 1.9 percent in fiscal 2021, however, while Texas' real GSP is projected to fall by 1.3 percent. The Texas economy should resume growing faster than that of the U.S. in 2022 and 2023, with projected growth rates of 3.7 and 4.6 percent, respectively, compared to 2.3 and 2.5 percent for the U.S.

Texas personal income rose by 7.4 percent in fiscal 2018, 5.2 percent in 2019 and an estimated 5.3 percent in 2020. It is expected to fall by 2.9 percent in 2021, with less federal economic support related to the pandemic. Growth should resume in 2022, averaging 4.8 percent annually in the coming biennium. Underlying these expected gains is population growth that has been and will continue to be fueled by net migration and a relatively high birth rate. Recent estimates by the U.S. Census Bureau show that six Texas cities were among the nation's 15 most rapidly growing large cities from 2010 through 2019, and three were among the top four: Frisco (1), New Braunfels (3) and McKinney (4). Texas' population is projected to grow by an average 361,600 annually from fiscal 2021 to 2023, reaching 30.4 million.

Texas' unemployment rate averaged 6.7 percent in fiscal 2020, and is expected to increase to 7.2 percent in 2021 before falling to 6.0 percent in 2022 and 4.6 percent in 2023. The U.S. unemployment rate averaged 7.3 percent in 2020 and is expected to average 5.1 percent over 2021 through 2023.

Average Texas nonfarm employment fell by 2.0 percent in fiscal 2020, with goods-producing industries employment decreasing by 3.8 percent and service-providing industries employment falling by 1.7 percent. For 2021, goods-producing employment is expected to fall by a further 10.1 percent. Thereafter, growth is expected to resume and to average 3.0 percent in the 2022-23 biennium.

Service-providing industries are expected to see employment growth of 1.6 percent in 2021 and to

average 2.7 percent annually in the 2022-23 biennium. In all, nonfarm employment is forecast to fall by 0.2 percent in 2021, followed by growth of 2.2 percent in 2022 and 3.3 percent in 2023. Goods-producing employment growth in 2022-23 is expected to be led by gains in the mining industry, while employment growth in the service-providing industries is expected to be led by professional and business services.

Forecast Summary and Concerns

Texas' economic growth in the 2022-23 biennium, as measured by real GSP, is expected to average 4.2 percent annually. Personal income in 2022-23 is forecast to increase by an average of 4.8 percent annually, compared to an annual average 1.2 percent for 2020-21. The nation's inflation rate, as measured by the change in the Personal Consumption Expenditures deflator, is expected to average 2.1 percent annually during 2022-23, higher than the 2020-21 average of 1.5 percent but still low by historical standards. Texas population growth in 2022-23 is expected to average 1.3 percent per year, about the same as that in 2020-21. In current dollar terms, the state's GSP is expected to increase from \$1.844 trillion in 2020 to \$2.037 trillion in 2023, an average annual increase of 3.4 percent.

This forecast envisions continued but moderating economic impacts from the COVID-19 pandemic. It does not incorporate the possible impacts of further unanticipated one-time or unusual events that could affect economic performance and revenue collections.

Several items must be watched, including the spread of the COVID-19 virus and the possibility of renewed reduction in customer-facing economic activity. Oil and natural gas prices remain volatile and a return to lockdowns in the U.S. or elsewhere could result in a further drop in prices and production. Conversely, household savings have increased during the pandemic while credit card debt has declined; this could support increased consumer spending once people feel safe to return to

pre-pandemic activity. Federal legislation passed in late December 2020 aimed at providing financial assistance for individuals, businesses, and local and state governments also could stimulate the Texas economy beyond this forecast's assumptions.

In summary, while there are numerous potential concerns, the Comptroller's Texas economic forecast assumes further moderate decline in economic activity in fiscal 2021, followed by a return to growth in the 2022-23 biennium at rates somewhat higher than those experienced over the last decade. 🔄

2022-2023 Biennium

BIENNIAL REVENUE ESTIMATE

Available Revenue

The 87th Texas Legislature will have an estimated \$112.53 billion available for general-purpose spending in the 2022-23 biennium, 0.4 percent less than the corresponding amount estimated for 2020-21 (see **Table 2**). This figure represents the 2020-21 ending deficit of \$946 million plus 2022-23 tax revenue of \$103.93 billion and 2022-23 non-tax receipts of \$15.65 billion, less an estimated reserve of \$5.83 billion from oil and natural gas taxes for future transfer to the Economic Stabilization Fund (ESF) and State Highway Fund (SHF), as well as an estimated reserve of \$271 million for transfer to the Texas Tomorrow Fund.

The 2020-21 Ending Deficit

The estimated ending certification deficit for the 2020-21 biennium will be \$946 million after setting aside \$2.05 billion from fiscal 2021 crude oil and natural gas production tax collections to be evenly distributed to the ESF and SHF during 2022 (see **Table A-1**). Note that the unencumbered balance in the General Revenue Fund (GR) on August 31, 2021, is not projected to rise to the level such that the constitutional provision requiring one-half of that balance be reserved for transfer to the ESF would come into effect.

Transfers from Severance Taxes

The ESF and SHF each should receive transfers of \$3.51 billion from oil production tax and natural gas production tax revenue over the three-year period from 2021 to 2023 (see **Table A-8**). As required by the Texas Constitution, estimated transfers to the ESF and SHF have been deducted from available revenues and bal-

ances. In addition to the fiscal 2021 transfer of \$1.13 billion to each fund from 2020 tax collections, this estimate anticipates that an additional \$2.38 billion each will be transferred to the ESF and SHF in 2022-23 (associated with 2021 and 2022 collections). After the 2023 transfer, and accounting for interest earnings, the ESF balance should reach \$11.55 billion at the end of the 2022-23 biennium, absent any additional appropriations from the fund. The constitutional limit on the ESF balance, estimated at \$19.65 billion during the course of the 2022-23 biennium, will not be reached.

Tax Revenue

The state's tax system is the main source of general revenue-related (GR-R) funding. Taxes are expected to yield \$103.93 billion during the upcoming biennium, contributing 87 percent of total net revenues. Compared with the \$97.41 billion collected in 2020-21, total GR-R tax collections in 2022-23 are expected to increase by 6.7 percent.

State sales tax revenues have accounted for more than half of all state GR-R tax collections in each year since fiscal 1988. In the 2022-23 biennium, sales tax collections are expected to total \$64.11 billion, or 62 percent of all tax collections. The next largest sources of general revenue in 2022-23 will be motor vehicle sales and rental taxes (\$10.12 billion), oil production tax (\$6.5 billion), franchise tax (\$6.3 billion) and insurance taxes (\$5.7 billion). Note that some franchise tax revenue is dedicated to the Property Tax Relief Fund, bringing the total deposited from that tax for all funds to \$9 billion.

Texas Biennial Revenue Estimate

TABLE 2

General Revenue-Related Funds, by Source and Biennium

(In Millions of Dollars)

	2020-21	2022-23	Percent Change
TAX COLLECTIONS			
Sales Taxes	\$ 60,985	\$ 64,106	5.1 %
Motor Vehicle Sales and Rental Taxes	9,625	10,116	5.1
Motor Fuel Taxes	1,865	1,959	5.0
Franchise Tax	5,992	6,298	5.1
Oil Production Tax	5,901	6,499	10.1
Insurance Taxes	5,500	5,700	3.6
Cigarette and Tobacco Taxes	1,121	1,074	(4.2)
Natural Gas Production Tax	2,120	3,538	66.9
Alcoholic Beverages Taxes	2,213	2,520	13.9
Hotel Occupancy Tax	925	948	2.5
Utility Taxes	956	1,000	4.6
Other Taxes	205	167	(18.5)
Total Tax Collections	\$ 97,408	\$ 103,926	6.7 %
NON-TAX COLLECTIONS			
Licenses, Fees, Fines, and Penalties	\$ 2,567	\$ 2,548	(0.7) %
State Health Service Fees and Rebates	1,961	2,025	3.3
Net Lottery Proceeds	3,273	3,077	(6.0)
Land Income	9	9	(4.0)
Interest and Investment Income	3,436	4,318	25.7
Settlements of Claims	1,092	962	(11.9)
Escheated Estates	1,414	1,461	3.3
Sales of Goods and Services	250	251	0.4
Other Revenue	1,031	1,001	(2.9)
Total Non-Tax Collections	\$ 15,034	\$ 15,652	4.1 %
TOTAL NET REVENUE	\$ 112,442	\$ 119,578	6.3 %
BALANCES AND ADJUSTMENTS			
Beginning Balance in Fund 1	\$ 4,290	\$ (1,273)	
Beginning Balances in Funds 2 and 3	431	327	
Change in GR-Dedicated Account Balances	120	0	
Reserve for Transfers to the Economic Stabilization and State Highway Funds	(4,319)	(5,830)	
Reserve for Transfers to the Texas Tomorrow Fund	N/A	(271)	
Total Balances and Adjustments	\$ 522	\$ (7,048)	
TOTAL GENERAL REVENUE-RELATED FUNDS AVAILABLE FOR CERTIFICATION			
	\$ 112,965	\$ 112,530	(0.4) %

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

Sales and Use Taxes

The state's largest source of tax revenue is the limited sales and use tax, imposed at a rate of 6.25 percent of the price of a broad range of items purchased within or brought into the state. The tax is paid both by businesses and consumers and applies generally to purchases of goods unless specifically exempted and to selected services.

The limited sales and use tax is deposited to GR and is available for general-purpose spending with some exceptions. Each fiscal year, after sales tax collections have reached \$28 billion, up to \$2.5 billion is allocable to the SHF. Taxes collected from the sales of motor lubricants also are allocated to the SHF. Beginning in fiscal 2022, pursuant to Article VIII, Section 7-d of the Texas Constitution (as added by Proposition 5, a constitutional amendment approved by voters in November 2019), the net revenue from sales taxation of sporting goods is dedicated and automatically appropriated to the Parks and Wildlife Department and the Texas Historical Commission, subject to allocation as provided by statute; this amount is projected to total \$405 million in the 2022-23 biennium. Also, an amount sufficient to compensate for repeal of a surcharge on fireworks is allocated to the Volunteer Fire Department Assistance Account. Finally, collections associated with certain hotel projects and special events are allocated to trust funds.

Other sales taxes include the boat and boat motor sales and use tax, levied at a rate of 6.25 percent, and a 1.5 percent surcharge on off-road diesel equipment dedicated to the Texas Emissions Reduction Plan Account (TERP). Beginning on September 1, 2021, this surcharge no longer will be deposited into the TERP account; instead, it will be allocated to a trust fund outside the State Treasury.

Total sales tax collections for all funds excluding trusts (of which more than 99 percent represented the limited sales and use tax) reached a new high of \$34.1 billion in fiscal 2020, an increase of only 0.2 percent

from 2019. The principal factor inhibiting growth in fiscal 2020 was the coronavirus pandemic, which led to significant declines in business activity beginning halfway through the fiscal year, especially in the leisure and hospitality sector and in oil and gas-related sectors. Ongoing consequences of the pandemic will continue to curb growth in economic activity and sales tax collections.

While all-funds sales tax revenue is forecast to decline by 1.4 percent to \$33.62 billion in fiscal 2021, growth is projected to resume at 3.9 percent in fiscal 2022 and 4.4 percent in 2023.

GR-R sales tax revenue is expected to increase by 3.7 percent in 2022, to \$31.31 billion, and by 4.7 percent in 2023, to \$32.8 billion. GR-R sales tax revenue is forecast to reach \$64.11 billion in the 2022-23 biennium, an increase of 5.1 percent from the 2020-21 estimate of \$60.98 billion.

Franchise Tax

The franchise tax, Texas' primary business tax, is levied on businesses' taxable margin. To determine taxable margin, businesses first calculate their total revenue and then may subtract from that one of four deductions: cost of goods sold; 30 percent of total revenue; total compensation; or \$1 million. Businesses then apportion their margin to Texas according to the share of their total business conducted in the state as measured by their gross receipts.

Depending on the firm's industry, a tax rate of either 0.75 percent or 0.375 percent is applied to the apportioned margin to arrive at the amount of tax due. Most businesses use the 0.75 percent rate; those primarily engaged in wholesale or retail trade (including food service) use the 0.375 percent rate. Businesses with total annual revenues of less than \$20 million may elect to file an EZ report and pay a reduced rate of 0.331 percent.

During the 2015 legislative session, the Legislature approved HB 32, which made permanent reductions

to all franchise tax rates, among other changes. The tax rate applicable to businesses in wholesale and retail trade was reduced by 25 percent, from 0.5 percent to 0.375 percent of taxable margin. The 25 percent reduction also applied to businesses formerly taxed at 1.0 percent of taxable margin; the rate is now 0.75 percent.

HB 32 also amended the E-Z tax computation method in two ways: the total revenue threshold for a business to qualify for the E-Z calculation was raised to \$20 million from \$10 million; and the tax rate applicable to apportioned revenue was reduced by 42 percent, from 0.575 percent to 0.331 percent. The new rates became effective for reports due on or after January 1, 2016.

Franchise tax revenue is split between GR and the Property Tax Relief Fund (PTRF). The PTRF portion is the amount by which the total revenues collected under the current tax structure exceeds the amount that would have been collected under the tax as it existed on August 31, 2007. The portion deposited to GR is the amount projected to have been collected had the former tax structure remained in place. Franchise tax revenue deposited into the PTRF is projected at \$2.62 billion for the 2020-21 biennium. The GR allocation is estimated to be \$5.99 billion.

Total franchise tax revenue for the 2022-23 biennium is estimated to be \$9 billion, an increase of \$383 million (4.4 percent) from 2020-21. The amount projected for GR is \$6.3 billion, while the PTRF projection is \$2.7 billion.

The pandemic and associated drop in crude oil price caused a sharp decline in Texas economic activity in the second quarter of 2020, with the degree of recovery thereafter expected to leave economic output for the year lower than 2019's. Since 2021 franchise tax reports will be based on 2020 economic activity, franchise tax revenue is expected to fall in 2021, with growth resuming thereafter.

Motor Vehicle Taxes

The Texas motor vehicle sales and use tax (including seller-financed sales) applies to the retail sales of new and used motor vehicles at a rate of 6.25 percent of the sale's total consideration. Also included in this group of related taxes are the motor vehicle rental tax (10 percent of gross receipts on rentals of 30 days or less, or 6.25 percent of gross receipts on rentals of 31 to 180 days) and the manufactured housing sales and use tax (5 percent of 65 percent of the sales price of a new manufactured home).

GR-R motor vehicle sales tax collections totaled \$4.48 billion in fiscal 2020, 3.4 percent lower than fiscal 2019's as a result of the pandemic. Motor vehicle sales tax collections are expected to increase compared to fiscal 2020 collections for the remainder of the 2020-21 biennium as people make vehicle purchases that had been delayed due to the pandemic, with low interest rates providing an additional tailwind.

GR-R motor vehicle sales tax collections are expected to rise to \$4.64 billion in fiscal 2021, \$4.8 billion in 2022 and \$4.88 billion in 2023. Collections in 2022-23 are expected to reach \$9.68 billion, an increase of 6.1 percent from 2020-21 collections of \$9.12 billion. The PTRF and the Emissions Reduction Plan Account also receive small amounts from motor vehicle sales taxes. Beginning in fiscal year 2022, the portion currently deposited to the Emissions Reduction Plan Account will instead be deposited to the Emissions Reduction Plan Trust Fund, outside the State Treasury, created by HB 3745 in the 86th Legislature.

Motor vehicle *rental* tax collections, the other major element in this tax category, are driven by business travel and consumer demand for vacation travel and temporary vehicle needs. As such, motor vehicle rental tax collections have been greatly affected by the COVID-19 pandemic. Collections came in at an all-time high of \$330 million in fiscal 2019 but fell by nearly 11.5 percent in fiscal 2020. Business and per-

sonal travel are expected to be significantly affected for the near future, resulting in a decrease in projected collections for fiscal 2021 to \$211 million. Collections are projected to slowly increase to \$217 million in fiscal 2022 and \$222 million in fiscal 2023. For the 2022-23 biennium, rental taxes are expected to generate \$439 million, down 12.6 percent from 2020-21 expected collections of \$503 million.

Manufactured housing tax collections in fiscal 2020 totaled \$28 million, 5.6 percent more than the \$26 million collected in 2019. Collections in 2020-21 are projected to be \$56 million and are expected to remain nearly flat at \$56 million for the 2022-23 biennium. All collections from this tax are deposited to GR.

In 2015, the Legislature passed and voters approved a constitutional amendment that required, starting in fiscal 2020, a transfer to the SHF of that portion of motor vehicle sales tax revenue collected in excess of \$5 billion in any fiscal year. We project that the threshold will be met for the first time in fiscal 2022 and then again in fiscal 2023, and that \$61 million will be transferred to the SHF from motor vehicle sales tax collections in the 2022-23 biennium.

GR-R collections from the entire group of motor vehicle-related taxes, including sales, rental, and manufactured housing taxes, are expected to reach \$9.63 billion in the 2020-21 biennium, 2.8 percent less than in 2018-19. For the 2022-23 biennium, tax collections are expected to reach \$10.12 billion, up 5.1 percent from 2020-21.

Oil and Natural Gas Severance Taxes

The taxes in this group consist of the oil production tax, levied at 4.6 percent of value, and the natural gas production tax, levied at 7.5 percent of value.

Severance tax collections are the product of two factors: price and production. The price of oil during the past two decades is a study in volatility. The average New York Mercantile Exchange (NYMEX) market price in

January 2002 was less than \$20 per barrel; in June 2008, it spiked to an all-time monthly high of more than \$134 before quickly declining to \$39 in February 2009. Prices gradually increased to around \$100 in summer 2014 before again dropping sharply and eventually retreating below \$31 in February 2016. As global demand strengthened and excess global inventories dissipated, prices recovered to more than \$70 in July 2018 before plunging to a record low of negative \$37.63 on April 20, 2020, in response to the COVID-19 pandemic. Prices then recovered and approached \$50 in December.

Texas' total oil production first peaked in 1972, when calendar-year production reached 1.26 billion barrels. After a decades-long decline in production volumes, reaching a low of 343 million barrels in 2007, the trend reversed and reached a new all-time record of 1.58 billion barrels in 2019, due largely to the development in the Eagle Ford shale formation and increased production in the Permian Basin.

In fiscal 2014, rising production and higher prices increased oil production tax collections to \$3.87 billion, a record at the time. Despite higher production in 2015, sharply lower prices pushed tax collections down to \$2.88 billion. Collections in 2016 dropped further to \$1.7 billion, with lower production and further price declines. As prices recovered, production started to rise. Collections increased to \$2.11 billion in 2017, \$3.39 billion in 2018 and \$3.89 billion in 2019, a new all-time record, before falling back to \$3.23 billion in 2020. Looking ahead, prices are expected to average \$44 in 2021 and increase to \$49 in 2022 and \$55 in 2023. Total Texas oil production is expected to remain relatively stable through 2023 as prices continue to recover and demand returns toward pre-pandemic levels. Oil production tax collections are expected to generate \$6.5 billion in the 2022-23 biennium compared to \$5.9 billion in 2020-21, a 10.1 percent increase.

Natural gas market prices remained stable — and low — throughout the 1980s and 1990s, at around \$2 per

million BTUs. In 2002, NYMEX market prices began a long upward trend, reaching an all-time monthly average high of \$13.45 in October 2005, and after further fluctuation stood at \$12.78 in June 2008. Record high prices during this period helped accelerate the shale drilling boom that began in the Barnett Shale and was followed by shale plays in other parts of the country such as the Marcellus and Haynesville formations. The consequent boom created a nationwide glut, halted the upward price trend and brought prices down to \$2.05 by April 2012. Unlike oil prices, rebounds in natural gas prices were short-lived. They continued a downward path to sub-\$2 levels by March 2016, when inventories reached record levels.

In response to lower prices, the number of active Texas natural gas drilling rigs began to fall, from a peak of 756 in September 2008 to 14 in September 2016. Associated oil-well gas (casinghead gas) production, however, has more than tripled since 2010 and today is a driving factor, accounting for 38 percent of total gas production in 2020 versus only 12.2 percent 10 years prior.

COVID-19 reduced natural gas demand starting during the second quarter of fiscal 2020. The average NYMEX price for the third quarter of fiscal 2020 was \$1.87; it continued to drop to \$1.75 in the fourth quarter.

Total natural gas production is expected to rise because of increasing prices at the start of fiscal 2021. Market prices are expected to average \$2.60 in 2021, \$2.75 in 2022 and \$2.65 in 2023. Natural gas tax collections in the 2022-23 biennium are expected to be \$3.54 billion, 66.9 percent more than the \$2.12 billion collected in 2020-21.

Insurance Taxes

Most of the insurance purchased in Texas is subject to two types of taxes: insurance premium taxes and insurance maintenance taxes. While the tax base for each

generally is the value of gross premiums received, the rates vary depending upon the type of insurance.

Insurance maintenance taxes are used to fund the Texas Department of Insurance's (TDI's) regulatory costs and are levied at rates adjusted annually based on TDI's appropriation and unexpended balance from the previous year. Revenue collected from maintenance taxes is deposited to TDI's operating account.

Insurance premium tax collections are deposited into the General Revenue Fund. The rate for life, accident and health insurance is 1.75 percent of the value of gross premiums written; for property and casualty insurance, 1.6 percent; for title insurance, 1.35 percent; for captive insurance companies, 0.5 percent; and the rate for unauthorized, surplus lines and independently procured insurance is 4.85 percent.

Beginning in fiscal 2009, premium tax collections have been reduced by two temporary factors: Texas Windstorm Insurance Association (TWIA) assessment credits and Certified Capital Company (CAPCO) investment premium tax credits. After claims related to hurricanes Dolly in July 2008 and Ike in September 2008 exceeded available reserves, TWIA imposed assessments of \$460 million on insurers, \$230 million of which was made available as premium tax credits. A maximum of 20 percent of these assessment credits (\$46 million) could be taken in any fiscal year. TWIA assessment credits of \$2.2 million are still available; a projected \$80,000 will be redeemed in 2021, with a further \$80,000 redeemed in both 2022 and 2023. CAPCO investment premium tax credits, initially available at a maximum rate of \$50 million per year, will continue through 2023 at an estimated \$1.0 million per year.

In fiscal 2020, insurance tax revenue (from all taxes for all funds) rose by 5.5 percent from 2019, due primarily to increases in premium tax collections. Collections in 2021 are expected to be reduced by pandemic effects on calendar 2020 economic activity. Collections are projected to exceed 2020 levels, but by only

0.7 percent, the lowest annual increase since 2009. Total tax collections for the 2020-21 biennium are projected to be \$5.5 billion, 7.7 percent more than in 2018-19. The growth rate of insurance tax revenue is expected to decrease over the 2022-23 biennium, with collections reaching \$5.7 billion, 3.6 percent more than in 2020-21.

Tobacco Taxes

Effective January 1, 2007, the 79th Legislature increased the cigarette tax rate by one dollar to a total of \$1.41 per pack of 20 cigarettes. The additional revenue attributable to that increase was dedicated to the PTRF, while the revenue from the cigarette tax at the former rate (\$0.41 per pack) remains dedicated to GR.

Cigarette distributors are entitled to 2.5 percent of the face value of the cigarette tax stamps purchased as an allowance for the service they provide in fixing a tax stamp to each pack of 20 cigarettes. That allowance was reduced from 3.0 percent by the 82nd Legislature in 2011. Distributors remitting the cigarette fee created by the 83rd Legislature (2013) on sales of nonsettling manufacturer cigarettes, however, can claim the full 3.0 percent stamping allowance for all of the cigarettes they stamp.

For tobacco products other than cigarettes and cigars (i.e., snuff, chewing tobacco, pipe tobacco and roll-your-own tobacco), the 79th Legislature increased the tax rate from 35.213 percent to 40 percent of the manufacturer's list price. The additional revenue attributable to that rate increase was dedicated to the PTRF, while the revenue from the tax at the former rate remains dedicated to GR.

As of September 1, 2009, the Legislature converted the tax on non-cigarette and non-cigar tobacco from an assessment based on value to one based on the manufacturer's list weight. The tax rate in fiscal 2010 was set at \$1.10 per ounce, while the prior ad valorem rate was 40 percent of the manufacturer's list price. The new weight-

based rate increased by 3 cents per ounce every September through 2013 to reach the current and final rate of \$1.22 per ounce.

A share of the additional revenue attributable to the weight-based taxation method initially was dedicated to the Physician Education Loan Repayment Program (PELRP) account in GR, while the remaining revenue was dedicated to unrestricted GR. The PELRP account received a 15 percent share in fiscal 2010, 25 percent in 2011 and 50 percent thereafter. In 2015, the Legislature changed that allocation method to deposit the entire amount into GR if the PELRP account has a sufficient unencumbered beginning balance to fund appropriations and other costs during the current fiscal biennium, or to deposit the entire amount to the PELRP account if the beginning balance is not sufficient.

Cigars are taxed at four rates that vary by weight, factory list price and ingredients. Those tax rates, ranging from one cent per 10 small cigars to \$15 per 1,000 large cigars, have not changed since 1977. All revenue collected from cigar taxes is dedicated to GR.

Cigarette tax collections for all funds totaled \$1.06 billion in fiscal 2020, 10.3 percent less than in 2019. Cigar and tobacco product tax collections for all funds were \$238 million in 2020, a 4.7 percent increase from 2019. In the 2020-21 biennium, collections from the cigarette and cigar and tobacco products taxes are expected to total \$2.67 billion for all funds, 2.1 percent below 2018-19 collections. For 2022-23, collections are expected to decline by 5.4 percent to \$2.53 billion. Of this amount, \$1.07 billion will be deposited to GR and \$1.45 billion will be dedicated to the PTRF; there will be no allocation to the PELRP account.

Alcoholic Beverage Taxes

Texas imposes six taxes on alcoholic beverages. The taxes on beer (\$6 per 31-gallon barrel), liquor (\$2.40 per gallon), wine (from 20.4 cents to 51.6 cents per gallon) and malt liquor or ale (19.8 cents per gallon)

are based on the volume sold. The two taxes levied on mixed beverage sales — 6.7 percent on the beverage vendor's gross receipts and an 8.25 percent sales tax on the consumer's purchase — are value-based. As of September 1, 2021, the 86th Legislature (2019) eliminated the distinction between the malt liquor (ale) tax and the beer tax by combining them into a new malt beverage category. The lower beer excise tax rate will be applied to malt liquor. The change is reflected in the 2022-23 biennium estimate for both taxes with the inclusion of the estimated malt liquor (ale) collections in the beer tax estimate.

In fiscal 2020, collections for all Texas alcoholic beverage taxes were \$1.13 billion, a 17.8 percent decrease from collections in 2019. In the 2020-21 biennium, collections are expected to total \$2.21 billion, 16.8 percent below 2018-19 collections. For 2022-23, collections are expected to increase by 13.9 percent, to \$2.52 billion.

Alcoholic beverage tax revenue fell sharply in fiscal 2020 due largely to the significant drop in activity at restaurants, bars and similar establishments. With the advent of the pandemic, the leisure and hospitality sectors experienced heavy revenue losses with the decrease in travel and cancellation of many revenue-generating events during which alcoholic beverages typically are sold. As COVID-19 cases and hospitalizations rose in the state, bars were recognized as virus-spreading locations and were ordered closed. Bars were subsequently allowed to reopen with restrictions. The imposition of various occupancy limits and bar closures throughout fiscal 2020 shifted some alcohol purchases from restaurants and bars to grocery and package liquor stores. The two mixed-beverage taxes accounted for 78 percent of total alcoholic beverage tax revenue in fiscal 2020. Mixed-beverage tax collections for the 2020-21 biennium are expected to reach \$1.72 billion, 21.6 percent less than 2018-19 collections of \$2.2 billion. In the 2022-23 biennium, collections are expected to rise to \$2.03 billion, a 17.9 percent increase from 2020-21.

The excise taxes on liquor, beer, wine and malt liquor (ale), which represent a smaller portion of the alcoholic beverage category, saw an overall increase in collections from fiscal 2019 to fiscal 2020. Collections from these taxes for 2020-21 are expected to reach \$491 million, 5.8 percent more than in 2018-19. In the 2022-23 biennium, collections are estimated to total \$489 million, a decrease of 0.4 percent from 2020-21.

Motor Fuel Taxes

Texas taxes the three major fossil fuels used to propel motor vehicles on public roads. The tax rate on gasoline and diesel fuel is 20 cents per gallon, while liquefied and compressed gas are taxed at 15 cents per gallon.

The pandemic caused motor fuels tax collections to decline in fiscal 2020. Gasoline tax collections fell by 6.6 percent from 2019, 8.3 percentage points lower than the compounded annual growth rate of 1.7 percent from fiscal 2008 to fiscal 2019. Similarly, diesel fuel tax collections fell by 3.6 percent from fiscal 2019, compared to a compounded annual growth rate of 1.7 percent from fiscal 2008 to fiscal 2019.

After deducting for transfers to the SHF, motor fuel tax revenues available for general-purpose spending in the 2020-21 biennium are expected to fall by 6.2 percent to \$1.86 billion, then increase by 5.0 percent in 2022-23, to \$1.96 billion.

Utility Taxes

Texas levies three utility taxes on utility companies: the gas, electric and water utility tax; the public utility gross receipts assessments; and the gas utility pipeline tax.

The gas, electric and water utility tax, which accounts for approximately 82 percent of utility tax collections, is levied on investor-owned electric utility gross receipts at rates ranging from 0.581 percent to 1.997 percent, depending on the population of the city served. The tax does not apply to receipts from

sales of utility services in unincorporated areas; sales in municipalities with populations of no more than 1,000; sales by municipally owned utilities; or sales by electric cooperatives. In 2020, GR-R collections from this source totaled \$386 million, down by 1.0 percent from 2019 collections of \$390 million. After adjusting for deposit errors, collections in fiscal 2020 totaled \$391 million, 1.3 percent more than adjusted fiscal 2019 collections of \$386 million. Decreasing electricity demand seen in recent years, due mostly to the replacement of less efficient end-use equipment with newer, more efficient equipment, has tapered off and demand has resumed a slow increase. The increase in electricity demand, along with higher retail electricity prices and increased natural gas usage in the industrial sector, contributed to the increase in 2020 revenues. Collections in the 2022-23 biennium are expected to reach \$821 million, an increase of 5.7 percent from \$777 million in 2020-21.

Public utility gross receipts assessments, comprising roughly 12 percent of total utility tax revenues, are paid by electric and telecommunications utilities at the rate of one-sixth of 1 percent of gross receipts. GR-R collections from this source were \$60 million in fiscal 2020, or \$55 million after adjusting for deposit errors. Collections during the 2022-23 biennium are expected to rise by 2.5 percent, to \$114 million, versus 2020-21 adjusted collections estimated at \$111 million.

Revenues from the gas utility pipeline tax, the smallest source of utility tax revenue, are levied at the rate of one-half of 1 percent of gross receipts and totaled \$32 million in fiscal 2020. Collections in the 2022-23 biennium are expected to reach \$66 million, 3.2 percent more than the estimated \$63 million collected in 2020-21.

In fiscal 2020, the state's net collections from all utility taxes totaled \$478 million, up 1.4 percent from \$471 million in 2019. As electricity and natural gas consumption increase slightly, and the average retail prices of

electricity and natural gas continue to rise, total utility tax revenue collections are expected to reach \$1 billion in the 2022-23 biennium, up 4.6 percent from an estimated \$956 million in 2020-21.

Hotel Occupancy Tax

The state hotel occupancy tax is imposed on a person who pays for a hotel room (or sleeping accommodations in similar facilities) costing \$15 or more each day, at a rate of 6 percent of the price paid for the room. Local taxing authorities are authorized to impose an additional local hotel tax that they collect.

Fiscal 2020 collections from the state hotel occupancy tax totaled \$471 million, a decrease of 26 percent from 2019 collections of \$636 million, attributable to reduced business and leisure travel from the global pandemic.

For the 2020-21 biennium, collections are expected to reach \$925 million, 25.3 percent below 2018-19 collections of \$1.24 billion. In 2022-23 gross hotel tax receipts should increase by an estimated 4.8 percent. But with more hotel projects becoming eligible for refunds of state hotel occupancy tax revenue, net collections will rise by just 2.5 percent, to \$948 million.

Other Taxes

The remaining state taxes include those on oil well services, coin-operated amusement machines, cement and combative sports admissions. In fiscal 2020, net GR-R collections for this category totaled \$138 million, 35.2 percent less than 2019 collections of \$213 million. Most of this decrease, more than \$74 million, is attributable to a reduction in the oil well services tax.

Collections from the other taxes category are expected to generate \$167 million for general-purpose spending in the 2022-23 biennium, a decrease of 18.5 percent from an estimated \$205 million in collections in 2020-21.

Non-Tax Revenue

In addition to the \$103.93 billion in tax revenue estimated for the 2022-23 biennium, the state's GR-R funds are expected to receive \$15.65 billion in non-tax revenue, a 4.1 percent increase from the \$15.03 billion in non-tax revenue collected in 2020-21.

The major non-tax revenue sources, accounting for 92 percent of collections in the 2022-23 biennium, are licenses, fees, fines and penalties; state lottery proceeds; interest and investment income, particularly distributions from the Permanent School Fund (PSF) to the Available School Fund (ASF) to public education spending; the Medicaid vendor drug program; unclaimed property and escheated estates; and tobacco settlement claims payments. This revenue category also includes the sales of goods and services, land income and a wide variety of other sources.

Licenses, fees, fines and penalties

Texas collects revenue from charges levied on a wide variety of business and personal activities. Examples include transportation (vehicle registrations and inspections and drivers licenses); business regulation (professional licenses); natural resources (environmental permits); parks and wildlife (parks fees and fishing/hunting licenses); education (university tuition); and court charges. GR-R collections in the 2022-23 biennium are expected to reach \$2.55 billion, 0.7 percent less than the \$2.57 billion collected in 2020-21.

Lottery Proceeds

Since 1992, the Texas Lottery Commission has administered a lottery to raise revenue benefiting public schools. Through the years, its portfolio of games has expanded considerably and now includes multi-state draw games such as Powerball and Mega Millions.

Gross sales for all Texas lottery games rose from \$6.25 billion in fiscal 2019 to \$6.7 billion in fiscal 2020, a growth rate of 7.2 percent. This growth was largely driven

by increased scratch-ticket sales, which rose by 14.7 percent to \$5.56 billion. Of this amount, 66.3 percent of gross sales was returned to players as prizes, while the lottery's administrative costs, which are legally capped at 7 percent of gross sales, totaled approximately \$216 million, or 3.2 percent of sales. Retailers receive a 5 percent sales commission as well as a bonus for tickets they sell that are redeemed for large jackpots and other incentive payments if certain sales targets are met.

After prizes, administrative costs, retailer commissions and other costs are paid, the remaining money is transferred to the Foundation School Fund (FSF) to support public schools throughout the state. In fiscal 2020, this transfer totaled \$1.66 billion. The Legislature also approved a scratch ticket game to generate revenue specifically for the benefit of Texas veterans beginning in fiscal 2009. In fiscal 2020, this resulted in a \$19 million transfer to the Texas Veterans Commission (TVC).

The transfer of lottery revenue to the FSF is projected to decline by 6 percent during the 2022-23 biennium, to \$3.08 billion. This forecast assumes a decline from record scratch-ticket sales in fiscal 2020, which occurred as a result of COVID-19 causing area casino operations to shut down temporarily. Revenue transferred to the TVC is expected to total \$36 million in the 2022-23 biennium, 5.1 percent less than in the preceding biennium.

Unclaimed lottery game prizes topped \$87 million in 2020. Legislation passed in 2013 redirected the majority of unclaimed prize money, formerly deposited to the General Revenue Fund, to the FSF. For the 2022-23 biennium, transfers of unclaimed prizes to the FSF are projected to decline by 5 percent, to \$159 million. Transfers of unclaimed prizes to TVC are expected to total \$5 million during the 2022-23 biennium.

Interest and Investment Income

This revenue category includes interest earnings on state deposits, investment income and income distri-

butions from the PSF to the ASF. GR-R interest and investment income in the 2022-23 biennium is expected to total \$4.32 billion, 25.7 percent more than the \$3.44 billion collected in 2020-21.

The biggest contributor to the increase in this category for the 2022-23 biennium is a projected increase in PSF income, which traditionally produces most of the investment income accruing to GR-R funds. The increase in distributions from the PSF to the ASF during the 2022-23 biennium results from decisions by the State Board of Education and the School Land Board, which jointly manage the PSF. Combined distributions from both boards are expected to send \$2.13 billion to the ASF in fiscal 2022 and \$2.18 billion in fiscal 2023, a biennial increase of \$906 million or 26.6 percent from 2020-21.

State Health Service Fees and Rebates

Revenue from the federally mandated and state-supplemental Medicaid vendor drug programs consists of rebates the state collects from drug manufacturers for drugs covered by state Medicaid programs. State and non-state hospitals that provide health care services to indigent patients receive adjustments through the Medicaid Uncompensated Care and Disproportionate Share Hospital programs; net revenue after hospitals receive these payments is considered general revenue. Together with premium credits from the Medicaid program, these funds and rebates comprise state revenue to this category. Based on revenue estimates from the Texas Health and Human Services Commission and the Legislative Budget Board (LBB), the GR portion of these funds and rebates is expected to total \$2.02 billion in the 2022-23 biennium, an increase of 3.3 percent from the \$1.96 billion expected in 2020-21. The 2022-23 estimate is based on the LBB's assumptions for future Federal Medical Assistance Percentages as of October 2020.

Unclaimed Property and Escheated Estates

The category's revenues represent proceeds from abandoned personal property such as checking accounts, savings accounts, certificates of deposit, safe deposit boxes, stocks, bonds, mutual funds, mineral proceeds and other types of property. For this revenue category, which includes unclaimed property submitted to the state, GR-R collections are expected to be \$1.46 billion in the 2022-23 biennium, a 3.3 percent increase from 2020-21 collections of \$1.41 billion.

Tobacco Settlement Claim Payments

In fiscal 1999, Texas began receiving regularly scheduled court settlement payments from tobacco product manufacturers. Beginning in the 2000-01 biennium, these payments were adjusted for changes in the national consumer price index, the settling tobacco companies' U.S. cigarette sales and their domestic operating profits. In the 2020-21 biennium, Texas tobacco settlement receipts are expected to total \$895 million, a 1.6 percent decline from the \$938 million collected in 2018-19. For 2022-23, these receipts are expected to reach \$881 million, 4.6 percent less than in 2020-21. Tobacco settlement payments have been affected negatively by cigarette tax increases imposed by federal, state and local governments. The resulting higher consumer prices have accelerated the decline in cigarette consumption, reducing the sales volume of the settling cigarette manufacturers and thereby lowering settlement payments.

Revenue to All Funds

Revenue to all funds will total \$270.47 billion in the 2022-23 biennium, a 6.5 percent decrease from the \$289.42 billion expected in 2020-21. In 2022-23, GR-R receipts will total \$119.58 billion, 6.3 percent more than the \$112.44 billion in 2020-21 collections that were affected significantly by the pandemic.

Dedicated federal income in 2022-23 will account for \$98.18 billion, \$26.6 billion or 21.3 percent less than the \$124.78 billion expected in 2020-21, during which the state received a substantial increase in federal revenue to cover costs associated with COVID-19. Estimates of state revenue attributable to federal COVID-19 relief legislation passed in late December 2020 are based on the best available data at the time of publication; as such, those estimates are preliminary and subject to change as more information is made available.

Another large source of all-funds revenue is the SHF's share of motor fuels tax revenue. This revenue is constitutionally dedicated to activities associated with the state highway system.

Total estimated revenues include certain funds that are deposited in the State Treasury but not appropriated, such as royalties deposited to the PSF. Excluded are local funds that are appropriated but not deposited into the State Treasury and deposits by certain semi-independent agencies. ✪

2022-2023 Biennium

BIENNIAL REVENUE ESTIMATE

Summary Tables

TABLE A-1

Estimated General Revenue-Related Balances, Revenue, Disbursements, and Appropriation Authority

	Thousands of Dollars		
	2021	2022	2023
REVENUE AND BEGINNING FUND BALANCES			
General Revenue-Related Adjusted Fund Balance*	\$ 4,868,679	\$ (946,452)	\$ 54,682,974
General Revenue-Related Revenue**	55,459,224	58,444,355	61,133,151
Adjustment to Dedicated Account Balances	(319,294)	0	0
Total Revenue and Beginning Fund Balances	\$ 60,008,609	\$ 57,497,903	\$ 115,816,125
PROBABLE DISBURSEMENTS AND OTHER ADJUSTMENTS			
Disbursements for Foundation School Programs	\$ 18,197,062	\$ 0	\$ 0
State Technology and Instructional Materials Disbursements	374,112	0	0
Other Probable Disbursements	40,332,393	0	0
Reserve for Transfers to the Economic Stabilization and State Highway Funds	2,051,495	2,701,334	3,128,989
Reserve for Transfers to the Texas Tomorrow Fund	N/A	113,596	157,580
Total Probable Disbursements and Other Adjustments	\$ 60,955,061	\$ 2,814,930	\$ 3,286,569
ESTIMATED ENDING CERTIFICATION BALANCE, AUGUST 31	\$ (946,452)	\$ 54,682,974	\$ 112,529,555
APPROPRIATION AUTHORITY			
Prior-Year Authority		\$ 2,859,024	
Current-Year Authority		58,903,567	
TOTAL APPROPRIATION AUTHORITY		\$ 61,762,590	

* Excludes constitutionally restricted accounts, dedicated lottery proceeds, oil overcharge and other general revenue-dedicated account balances that are not available for certification.

** Excludes constitutionally restricted motor fuel, sales and motor vehicle sales taxes transfers to the State Highway Fund.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-2

Estimated General Revenue-Related Revenue and Balances Available for Certification

	Thousands of Dollars	
	2020-21	2022-23
BEGINNING FUND BALANCES		
Consolidated General Revenue Fund Adjusted Balance	\$ 4,289,697	\$ (1,273,341)
Available School Fund Balance	58,188	35,000
State Technology and Instructional Materials Fund Balance	372,930	291,889
Total Beginning Fund Balances	\$ 4,720,816	\$ (946,452)
REVENUE		
General Revenue Fund	\$ 105,586,138	\$ 112,028,724
Available School Fund	3,407,283	4,311,197
State Technology and Instructional Materials Fund	8,551	2,342
Foundation School Account	3,440,400	3,235,243
Total Revenue	\$ 112,442,372	\$ 119,577,506
OTHER ADJUSTMENTS		
Change in General Revenue-Dedicated Account Balances	\$ 120,466	\$ 0
Reserve for Transfers to the Economic Stabilization and State Highway Funds	(4,318,871)	(5,830,322)
Reserve for Transfers to the Texas Tomorrow Fund	N/A	(271,177)
Total Other Adjustments	\$ (4,198,404)	\$ (6,101,499)
TOTAL GENERAL REVENUE-RELATED REVENUE AND BALANCES	\$ 112,964,783	\$ 112,529,555

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

Texas Biennial Revenue Estimate

TABLE A-3

Estimated General Revenue-Related Funds Revenue

Object Code	Description	Thousands of Dollars		
		2021	2022	2023
GENERAL REVENUE FUND				
3004	Motor Vehicle Sales and Use Tax	\$ 4,455,732	\$ 4,622,237	\$ 4,734,239
3005	Motor Vehicle Rental Tax	210,797	217,373	221,721
3007	Gasoline Tax	2,629,338	2,655,262	2,682,552
3008	Diesel Fuel Tax	901,925	934,077	975,596
3016	Motor Vehicle Sales and Use Tax—Seller Financed Motor Vehicles	157,125	161,839	164,267
3027	Driver Record Information Fees	3,390	3,556	3,738
3102	Limited Sales and Use Tax	32,609,500	33,928,400	35,420,600
3111	Boat and Boat Motor Sales and Use Tax	75,800	78,700	83,200
3114	Escheated Estates	698,823	719,788	741,381
3130	Franchise/Business Margins Tax	2,936,700	3,045,200	3,252,300
3139	Hotel Occupancy Tax	453,877	466,102	481,964
3175	Professional Fees	62,006	64,559	64,732
3186	Securities Fees	140,000	140,000	140,000
3201	Insurance Premium Taxes	2,638,111	2,655,246	2,749,332
3219	Insurance Maintenance Tax—Workers' Compensation Division and OIEC	48,748	51,185	53,744
3230	Public Utility Gross Receipts Assessment	55,704	56,539	57,104
3233	Gas, Electric and Water Utility Tax	390,321	404,037	416,825
3250	Mixed Beverage Gross Receipts Tax	379,407	443,765	468,667
3251	Mixed Beverage Sales Tax	466,586	544,065	574,623
3253	Liquor Tax	104,016	105,200	106,400
3258	Beer Tax	105,501	118,900	120,100
3275	Cigarette Tax	360,700	312,700	341,600
3278	Cigar and Tobacco Products Tax	213,722	210,838	209,212
3290	Oil Production Tax	2,672,076	3,037,430	3,461,722
3291	Natural Gas ProductionTax	1,194,898	1,695,996	1,841,911
3849	Tobacco Suit Settlement Receipts	456,900	445,800	435,100
3854	Interest Other - General, Non-Program	1,556	1,556	1,556
3950	Allocations to General Revenue from Special Funds	12,705	20,292	20,292
3952	Allocation of Uncompensated Care and Disproportionate Share Revenues	199,310	198,149	198,149
	Other General Revenue Fund Revenue	2,504,842	2,689,292	2,745,700
3901	Less: Motor Fuel Taxes Allocation to State Highway Fund	(2,586,246)	(2,625,914)	(2,675,686)
3924	Less: Sporting Goods Sales Taxes Allocation to the TPWD and THC	N/A	(196,900)	(207,900)
3925	Less: Sales Taxes Allocation to State Highway Fund	(2,500,000)	(2,500,000)	(2,500,000)
3928	Less: Motor Vehicle Sales Taxes Allocation to State Highway Fund	0	(9,745)	(51,541)
	Subtotal, General Revenue Fund	\$ 52,053,870	\$ 54,695,524	\$ 57,333,200
SCHOOL FUNDS*				
3851	Interest on State Deposits/Investments - General, Non-Program	\$ 2,723	\$ 2,943	\$ 1,596
3910	Allocation from Permanent School Fund to Available School Fund	1,701,670	2,132,000	2,177,000
3922	State Gain from Lottery Proceeds	1,617,708	1,534,623	1,542,090
	Other School Funds Revenue	83,253	79,265	79,265
	Subtotal, School Funds	\$ 3,405,354	\$ 3,748,831	\$ 3,799,951
TOTAL ESTIMATED NET GENERAL REVENUE-RELATED FUNDS		\$ 55,459,224	\$ 58,444,355	\$ 61,133,151

* Includes net revenue for the Available School Fund, the State Technology and Instructional Materials Fund, and the Foundation School Account.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

Texas Biennial Revenue Estimate

TABLE A-4

Estimated General Revenue-Dedicated Accounts Revenue

Account Number	Account	Thousands of Dollars		
		2021	2022	2023
9	Game, Fish, and Water Safety	\$ 147,294	\$ 148,595	\$ 148,831
27	Coastal Protection	15,193	15,529	10,481
64	State Parks	48,984	237,471	247,701
151	Clean Air	69,236	68,068	68,605
153	Water Resource Management	84,055	86,282	87,746
225	University of Houston Current	78,446	78,446	78,446
238	University of Texas at Dallas Current	52,093	53,632	54,688
242	Texas A&M University Current	112,482	113,282	113,782
244	University of Texas at Arlington Current	66,962	68,142	68,706
248	University of Texas at Austin Current	113,667	113,667	113,667
249	University of Texas at San Antonio Current	43,919	45,065	45,516
250	University of Texas at El Paso Current	31,223	31,435	32,016
255	Texas Tech University Current	58,372	58,372	58,372
258	University of North Texas Current	47,802	48,754	49,724
259	Sam Houston State University Current	27,299	27,368	27,574
421	Criminal Justice Planning	16,115	17,034	16,281
469	Compensation to Victims of Crime	63,729	66,505	64,601
549	Waste Management	36,204	36,449	36,697
550	Hazardous and Solid Waste Remediation Fees	28,771	28,898	29,015
655	Petroleum Storage Tank Remediation	16,883	17,161	17,490
5000	Solid Waste Disposal Fees	11,493	11,606	11,720
5007	Commission on State Emergency Communications	18,355	18,355	18,355
5025	Lottery*	552,115	525,804	525,804
5050	9-1-1 Service Fees	32,511	32,511	32,449
5064	Volunteer Fire Department Assistance	22,626	21,652	21,642
5071	Emissions Reduction Plan**	101,490	0	0
5073	Fair Defense	37,019	39,380	37,809
5080	Quality Assurance	60,057	60,057	60,057
5094	Operating Permit Fees	39,425	39,757	40,093
5111	Designated Trauma Facility and EMS	107,900	105,565	103,918
5155	Oil and Gas Regulation and Cleanup	67,339	71,046	73,432
	Other Accounts	856,938	883,477	889,169
TOTAL ESTIMATED GENERAL REVENUE-DEDICATED ACCOUNTS		\$ 3,065,997	\$ 3,169,365	\$ 3,184,387

* Net of proceeds to the Foundation School Account and other dedicated accounts.

** Revenue collections do not include transfers from the State Highway Fund. Beginning on September 1, 2021, all revenue that was deposited into the TERP account will be allocated to a trust fund outside the State Treasury.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-5

Estimated Federal Income, by Fund or Account

Fund/ Account Number	Fund or Account	Thousands of Dollars		
		2021	2022	2023
1	General Revenue Fund	\$ 33,631,501	\$ 35,659,490	\$ 32,818,467
6	State Highway Fund	5,853,758	4,329,196	3,963,289
9	Game, Fish, and Water Safety Account	58,019	58,019	58,019
37	Federal Child Welfare Service Account	509,161	513,469	519,060
92	Federal Disaster Account	202,788	172,645	156,103
127	Community Affairs Federal Account	280,153	280,726	282,887
148	Federal Health, Education and Welfare Account	3,364,884	3,341,116	3,341,116
171	Federal School Lunch Account	2,246,334	1,979,337	1,979,337
222	Department of Public Safety Federal Account	1,900	1,850	1,850
224	Governor's Office Federal Projects Account	108,383	115,591	123,278
273	Federal Health and Health Lab Funding Excess Revenue Account	301,277	301,277	301,277
325	Coronavirus Relief Fund	17,757,385	2,867,176	497,106
421	Criminal Justice Planning Account	218,818	218,678	218,539
449	Texas Military Federal Account	66,794	68,797	67,864
469	Compensation to Victims of Crime Account	31,853	20,511	21,249
549	Waste Management Account	6,750	6,750	6,750
5026	Workforce Commission Federal Account	1,741,995	1,673,774	1,667,827
5091	Office of Rural Community Affairs Federal Account	68,166	67,777	67,777
	Other Funds and Accounts	208,467	206,722	203,009
TOTAL ESTIMATED FEDERAL INCOME		\$ 66,658,386	\$ 51,882,901	\$ 46,294,804

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-6

Estimated Other Funds Revenue, by Fund or Account

Fund/ Account Number	Fund or Account	Thousands of Dollars		
		2021	2022	2023
6	State Highway Fund	\$ 7,162,536	\$ 7,184,081	\$ 7,320,137
11	Available University Fund	1,173,292	1,220,037	1,278,669
193	Foundation School Account/Local Recapture – Attendance Credits	2,814,010	2,796,200	3,031,800
304	Property Tax Relief Fund	2,084,728	2,028,444	2,180,666
365	Texas Mobility Fund	523,785	518,048	524,912
573	Judicial Fund	77,789	72,347	67,468
	Disproportionate Share Revenue/State & Local Hospitals	5,026,129	5,408,844	3,215,099
	Appropriated Receipts	675,622	701,482	620,373
	Other Funds	3,119,620	3,869,475	4,319,715
TOTAL ESTIMATED OTHER FUNDS REVENUE		\$ 22,657,511	\$ 23,798,958	\$ 22,558,839

Note: Excludes certain local funds that are appropriated but not deposited in the State Treasury, and deposits by semi-independent agencies.

Includes certain state revenue deposited in the State Treasury but not appropriated. Excludes federal income.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-7

Estimated All Funds Revenue, Excluding Trust Funds

Source	Thousands of Dollars		
	2021	2022	2023
General Revenue-Related	\$ 55,459,224	\$ 58,444,355	\$ 61,133,151
General Revenue-Dedicated	3,065,997	3,169,365	3,184,387
Federal Income	66,658,386	51,882,901	46,294,804
Other Funds	22,657,511	23,798,958	22,558,839
TOTAL ESTIMATED ALL FUNDS REVENUE	\$ 147,841,118	\$ 137,295,579	\$ 133,171,181

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenue deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-8

Estimated Allocations and Transfers from the General Revenue Fund

	Thousands of Dollars		
	2021	2022	2023
ALLOCATIONS AND TRANSFERS TO OTHER FUNDS			
Available School Fund–Motor Fuel Taxes	\$ 868,483	\$ 881,847	\$ 898,620
State Highway Fund–Motor Fuel Taxes	2,586,246	2,625,914	2,675,686
State Highway Fund–Severance Taxes	1,133,688	1,025,747	1,350,667
State Highway Fund–Sales Taxes	2,500,000	2,500,000	2,500,000
State Highway Fund–Motor Vehicle Sales Taxes	0	9,745	51,541
County and Road District Highway Fund–Motor Fuel Taxes	7,300	7,300	7,300
Economic Stabilization Fund–Severance Taxes	1,133,688	1,025,747	1,350,667
Teacher Retirement System Trust Fund (excl. health insurance)	2,315,411	2,462,444	2,616,168
Total Allocations and Transfers to Other Funds	\$ 10,544,816	\$ 10,538,744	\$ 11,450,649
ALLOCATIONS AND TRANSFERS TO GENERAL REVENUE-DEDICATED ACCOUNTS			
Motor Fuel Allocation to Parks and Wildlife	\$ 18,720	\$ 18,904	\$ 19,097
Motor Fuel Enforcement Allocation	31,802	32,318	32,977
State Parks Account–Sporting Goods Sales Tax (SGST)	127,701	183,117	193,347
Texas Recreation and Parks Account–SGST	10,668	0	0
Parks and Wildlife Conservation Capital Account–SGST	58,150	0	0
Large County & Municipal Recreation and Parks Account–SGST	5,198	0	0
Historic Sites Account–SGST	15,183	13,783	14,553
Foundation School Account–Occupation Taxes	1,740,298	1,967,825	2,139,299
Hotel Occupancy Tax–Economic Development	37,823	38,842	40,164
Hotel Occupancy Tax–Coastal Erosion	N/A	17,004	17,956
Texas Department of Insurance Operating Account–Insurance Maintenance Taxes	143,485	145,877	148,046
Rural Volunteer Fire Department Insurance Account–Sales Tax	2,120	2,160	2,280
Total Allocations and Transfers to General Revenue-Dedicated Accounts	\$ 2,191,148	\$ 2,419,830	\$ 2,607,719
TOTAL ALLOCATIONS AND TRANSFERS FROM GENERAL REVENUE	\$ 12,735,964	\$ 12,958,574	\$ 14,058,367
DETAILS OF THE ECONOMIC STABILIZATION FUND – CASH BASIS REPORTING			
TOTAL BEGINNING BALANCE*	\$ 9,996,515	\$ 8,947,194	\$ 10,073,639
TRANSFERS, INTEREST AND INVESTMENT INCOME			
Oil Production Tax Transfer	1,011,552	802,577	939,584
Natural Gas Production Tax Transfer	122,136	223,171	411,082
Unencumbered Balance Transfer	0	0	0
Interest Income	20,503	16,886	12,142
Investment Income	59,501	83,812	118,139
Total Transfers and Interest Income	\$ 1,213,692	\$ 1,126,445	\$ 1,480,948
APPROPRIATIONS	2,263,014	0	0
TOTAL ENDING BALANCE OF ESF	\$ 8,947,194	\$ 10,073,639	\$ 11,554,587

* The total beginning balance includes the cash balance in the State Treasury and the invested balance with the Texas Treasury Safekeeping Trust Company. The invested balance and gain on those investments are based on the projected earnings as of October 16, 2021.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-9

Available School Fund and State Technology and Instructional Materials Fund Estimated Balances, Revenues and Expenditures

	Thousands of Dollars		
	2021	2022	2023
Beginning Cash Balances			
Available School Fund	\$ 13,458	\$ 35,000	\$ 18,476
State Technology and Instructional Materials Fund	666,415	291,889	293,745
Total Beginning Cash Balances	\$ 679,874	\$ 326,889	\$ 312,221
ESTIMATED REVENUE			
<i>Available School Fund</i>			
Total Return Allocation from Permanent School Fund	\$ 1,701,670	\$ 2,132,000	\$ 2,177,000
Interest on State Deposits/Investments - General, Non-Program	867	1,087	1,110
Allocation from General Revenue Fund	868,483	881,847	898,620
Total Estimated Available School Fund Revenue	\$ 2,571,020	\$ 3,014,934	\$ 3,076,730
<i>State Technology and Instructional Materials Fund</i>			
Sale of Textbooks	\$ 0	\$ 0	\$ 0
Interest on State Deposits/Investments - General, Non-Program	1,856	1,856	486
Other Revenue	0	0	0
Total Estimated State Technology and Instructional Materials Fund Revenue	\$ 1,856	\$ 1,856	\$ 486
TOTAL ESTIMATED REVENUE AND BEGINNING CASH BALANCES	\$ 3,252,750	\$ 3,343,679	\$ 3,389,437
ESTIMATED EXPENDITURES			
State Technology and Instructional Materials*	\$ 374,112	\$ 1,035,439	\$ 10,000
Administration—State Technology and Instructional Materials Fund	2,271	2,271	2,271
Administration—Available School Fund	0	0	0
Per Capita Apportionment			
5,059,590 (prior year ADA) @ \$504	2,549,478		
5,095,199 (prior year ADA) @ \$391		1,993,748	
5,131,468 (prior year ADA) @ \$609			3,124,064
Total Estimated Expenditures	\$ 2,925,861	\$ 3,031,458	\$ 3,136,335
ENDING CASH BALANCE	\$ 326,889	\$ 312,221	\$ 253,102

* Represents only state revenue.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts, Legislative Budget Board.

TABLE A-10

Sources of Property Tax Relief Fund Revenue

		Thousands of Dollars		
		2021	2022	2023
BEGINNING CASH BALANCE		\$ 0	\$ 0	\$ 2,028,444
REVENUE				
3004	Motor Vehicle Sales and Use Tax	25,442	26,393	27,033
3130	Franchise/Business Margins Tax	1,258,600	1,305,100	1,393,800
3275	Cigarette Tax	780,300	676,400	738,900
3278	Cigar and Tobacco Products Tax	18,877	19,062	19,388
3851	Interest on State Deposits/Investments - General, Non-Program	1,509	1,489	1,545
Total Revenue		<u>\$ 2,084,728</u>	<u>\$ 2,028,444</u>	<u>\$ 2,180,666</u>
NET TRANSFERS		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
APPROPRIATIONS		<u>\$ 2,084,728</u>	<u>\$ 0</u>	<u>\$ 0</u>
ENDING CASH BALANCE		<u><u>\$ 0</u></u>	<u><u>\$ 2,028,444</u></u>	<u><u>\$ 4,209,110</u></u>

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-11

Sources of State Highway Fund Revenue

Object Code	Description	Thousands of Dollars		
		2021	2022	2023
STATE REVENUE				
3010	Motor Fuel Lubricants Sales Tax	\$ 37,000	\$ 37,500	\$ 38,000
3014	Motor Vehicle Registration Fees	1,644,027	1,685,128	1,727,256
3018	Special Vehicle Permits Fees	122,729	125,119	127,557
3752	Sale of Publications/Advertising	4,636	4,683	4,729
3767	Supplies/Equipment/Services–Federal/Other	20,271	20,474	20,679
3851	Interest on State Deposits/Investments - General, Non-Program	19,905	13,013	12,411
3901	Motor Fuel Taxes Allocation	2,586,246	2,625,914	2,675,686
3969	Severance Taxes Allocation	1,133,688	1,025,747	1,350,667
3925	Sales Taxes Allocation	2,500,000	2,500,000	2,500,000
3928	Motor Vehicle Sales Taxes Allocation	0	9,745	51,541
	Other Revenue	227,722	162,505	162,278
	Total State Revenue	\$ 8,296,224	\$ 8,209,828	\$ 8,670,804
FEDERAL INCOME				
3001	Federal Receipts Matched–Transportation Programs*	\$ 5,853,758	\$ 4,329,196	\$ 3,963,289
3701	Federal Receipts Not Matched–Other Programs	0	0	0
	Total Federal Income	\$ 5,853,758	\$ 4,329,196	\$ 3,963,289
TOTAL STATE HIGHWAY FUND REVENUE		\$ 14,149,982	\$ 12,539,024	\$ 12,634,093

* The estimate for Federal Income is based on the Texas Department of Transportation's October cash forecast.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-12

State Revenue, by Source and Fiscal Year

General Revenue-Related

	Thousands of Dollars			
	2020 Actual	2021 Estimated	2022 Estimated	2023 Estimated
TAX COLLECTIONS				
Sales Taxes	\$ 30,799,500	\$ 30,185,300	\$ 31,310,200	\$ 32,795,900
Motor Vehicle Sales and Rental Taxes	4,773,615	4,851,684	5,019,733	5,096,715
Motor Fuel Taxes	913,780	951,177	969,772	989,003
Franchise Tax	3,055,377	2,936,700	3,045,200	3,252,300
Oil Production Tax	3,229,347	2,672,076	3,037,430	3,461,722
Insurance Taxes	2,740,586	2,759,697	2,802,069	2,898,371
Cigarette and Tobacco Taxes	546,724	574,422	523,538	550,812
Natural Gas Production Tax	925,473	1,194,898	1,695,996	1,841,911
Alcoholic Beverages Taxes	1,125,322	1,088,010	1,231,530	1,288,890
Hotel Occupancy Tax	470,703	453,877	466,102	481,964
Utility Taxes	478,155	477,475	492,703	507,306
Other Taxes	138,326	66,210	78,980	87,733
Total Tax Collections	\$ 49,196,907	\$ 48,211,526	\$ 50,673,253	\$ 53,252,627
REVENUE BY SOURCE				
Tax Collections	\$ 49,196,907	\$ 48,211,526	\$ 50,673,253	\$ 53,252,627
Licenses, Fees, Fines, and Penalties	1,439,320	1,127,545	1,270,291	1,278,204
State Health Service Fees and Rebates	985,540	975,402	992,427	1,032,449
Net Lottery Proceeds	1,655,764	1,617,708	1,534,623	1,542,090
Land Income	6,389	2,983	4,397	4,599
Interest and Investment Income	1,729,079	1,706,620	2,137,030	2,180,589
Settlements of Claims	594,637	497,267	486,167	475,467
Escheated Estates	715,456	698,823	719,788	741,381
Sales of Goods and Services	125,203	124,939	125,628	125,628
Other Revenue	534,852	496,411	500,751	500,117
Total Net Revenue	\$ 56,983,148	\$ 55,459,224	\$ 58,444,355	\$ 61,133,151

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-13

Percent Change in State Revenue, by Source and Fiscal Year General Revenue-Related

	2020 Actual	2021 Estimated	2022 Estimated	2023 Estimated
TAX COLLECTIONS				
Sales Taxes	3.2 %	(2.0) %	3.7 %	4.7 %
Motor Vehicle Sales and Rental Taxes	(3.9)	1.6	3.5	1.5
Motor Fuel Taxes	(9.4)	4.1	2.0	2.0
Franchise Tax	3.1	(3.9)	3.7	6.8
Oil Production Tax	(16.9)	(17.3)	13.7	14.0
Insurance Taxes	5.5	0.7	1.5	3.4
Cigarette and Tobacco Taxes	(8.0)	5.1	(8.9)	5.2
Natural Gas Production Tax	(45.1)	29.1	41.9	8.6
Alcoholic Beverages Taxes	(17.8)	(3.3)	13.2	4.7
Hotel Occupancy Tax	(26.0)	(3.6)	2.7	3.4
Utility Taxes	1.4	(0.1)	3.2	3.0
Other Taxes	(35.2)	(52.1)	19.3	11.1
Total Tax Collections	<u>(2.1) %</u>	<u>(2.0) %</u>	<u>5.1 %</u>	<u>5.1 %</u>
REVENUE BY SOURCE				
Tax Collections	(2.1) %	(2.0) %	5.1 %	5.1 %
Licenses, Fees, Fines, and Penalties	1.7	(21.7)	12.7	0.6
State Health Service Fees and Rebates	(6.9)	(1.0)	1.7	4.0
Net Lottery Proceeds	8.7	(2.3)	(5.1)	0.5
Land Income	(18.6)	(53.3)	47.4	4.6
Interest and Investment Income	2.5	(1.3)	25.2	2.0
Settlements of Claims	(3.7)	(16.4)	(2.2)	(2.2)
Escheated Estates	3.2	(2.3)	3.0	3.0
Sales of Goods and Services	(5.7)	(0.2)	0.6	0.0
Other Revenue	6.7	(7.2)	0.9	(0.1)
Total Net Revenue	<u>(1.5) %</u>	<u>(2.7) %</u>	<u>5.4 %</u>	<u>4.6 %</u>

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-14

State Revenue, by Source and Biennium

General Revenue-Related

	Thousands of Dollars		
	2018-19 Actual	2020-21 Estimated	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	\$ 60,727,319	\$ 60,984,800	\$ 64,106,100
Motor Vehicle Sales and Rental Taxes	9,897,902	9,625,299	10,116,448
Motor Fuel Taxes	1,988,997	1,864,957	1,958,775
Franchise Tax	5,791,958	5,992,077	6,297,500
Oil Production Tax	7,278,341	5,901,423	6,499,152
Insurance Taxes	5,105,102	5,500,283	5,700,440
Cigarette and Tobacco Taxes	1,155,971	1,121,146	1,074,350
Natural Gas Production Tax	3,116,787	2,120,371	3,537,907
Alcoholic Beverages Taxes	2,661,391	2,213,332	2,520,420
Hotel Occupancy Tax	1,237,354	924,580	948,066
Utility Taxes	923,753	955,630	1,000,009
Other Taxes	419,005	204,536	166,713
Total Tax Collections	\$ 100,303,880	\$ 97,408,433	\$ 103,925,880
REVENUE BY SOURCE			
Tax Collections	\$ 100,303,880	\$ 97,408,433	\$ 103,925,880
Licenses, Fees, Fines, and Penalties	2,827,193	2,566,865	2,548,495
State Health Service Fees and Rebates	2,317,376	1,960,942	2,024,876
Net Lottery Proceeds	2,907,636	3,273,472	3,076,713
Land Income	3,834	9,372	8,996
Interest and Investment Income	2,933,745	3,435,699	4,317,619
Settlements of Claims	1,135,150	1,091,904	961,634
Escheated Estates	1,329,612	1,414,279	1,461,169
Sales of Goods and Services	260,803	250,142	251,256
Other Revenue	1,002,958	1,031,263	1,000,868
Total Net Revenue	\$ 115,022,186	\$ 112,442,372	\$ 119,577,506

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-15

Percent Change in State Revenue, by Source and Biennium General Revenue-Related

	2018-19 Actual	2020-21 Estimated	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	6.7 %	0.4 %	5.1 %
Motor Vehicle Sales and Rental Taxes	9.1	(2.8)	5.1
Motor Fuel Taxes	5.4	(6.2)	5.0
Franchise Tax	3.9	3.5	5.1
Oil Production Tax	91.0	(18.9)	10.1
Insurance Taxes	11.0	7.7	3.6
Cigarette and Tobacco Taxes	(2.6)	(3.0)	(4.2)
Natural Gas Production Tax	99.6	(32.0)	66.9
Alcoholic Beverages Taxes	10.9	(16.8)	13.9
Hotel Occupancy Tax	17.6	(25.3)	2.5
Utility Taxes	5.7	3.5	4.6
Other Taxes	135.5	(51.2)	(18.5)
Total Tax Collections	12.5 %	(2.9) %	6.7 %
REVENUE BY SOURCE			
Tax Collections	12.5 %	(2.9) %	6.7 %
Licenses, Fees, Fines, and Penalties	(1.9)	(9.2)	(0.7)
State Health Service Fees and Rebates	(12.6)	(15.4)	3.3
Net Lottery Proceeds	16.1	12.6	(6.0)
Land Income	(86.8)	144.5	(4.0)
Interest and Investment Income	35.3	17.1	25.7
Settlements of Claims	3.3	(3.8)	(11.9)
Escheated Estates	(12.9)	6.4	3.3
Sales of Goods and Services	6.2	(4.1)	0.4
Other Revenue	21.3	2.8	(2.9)
Total Net Revenue	11.6 %	(2.2) %	6.3 %

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-16

State Revenue, by Source and Fiscal Year

All Funds, Excluding Trust Funds

	Thousands of Dollars			
	2020 Actual	2021 Estimated	2022 Estimated	2023 Estimated
TAX COLLECTIONS				
Sales Taxes	\$ 34,099,115	\$ 33,623,996	\$ 34,918,812	\$ 36,461,248
Motor Vehicle Sales and Rental Taxes	4,815,240	4,893,369	5,055,871	5,175,289
Motor Fuel Taxes	3,524,712	3,537,423	3,595,686	3,664,689
Franchise Tax	4,418,420	4,195,300	4,350,300	4,646,100
Oil Production Tax	3,229,347	2,672,076	3,037,430	3,461,722
Insurance Taxes	2,741,653	2,760,758	2,803,252	2,899,444
Cigarette and Tobacco Taxes	1,299,014	1,373,599	1,219,000	1,309,100
Natural Gas Production Tax	925,473	1,194,898	1,695,996	1,841,911
Alcoholic Beverages Taxes	1,125,322	1,088,010	1,231,530	1,288,890
Hotel Occupancy Tax	470,703	453,877	466,102	481,964
Utility Taxes	478,155	477,475	492,703	507,306
Other Taxes	252,664	179,198	191,968	200,721
Total Tax Collections	\$ 57,379,818	\$ 56,449,979	\$ 59,058,650	\$ 61,938,384
REVENUE BY SOURCE				
Tax Collections	\$ 57,379,818	\$ 56,449,979	\$ 59,058,650	\$ 61,938,384
Federal Income	58,116,754	66,658,386	51,882,901	46,294,804
Licenses, Fees, Fines, and Penalties	6,241,256	6,218,588	6,446,651	6,426,975
State Health Service Fees and Rebates	7,497,445	6,988,056	7,536,138	5,445,452
Net Lottery Proceeds	2,391,653	2,463,540	2,566,046	2,566,046
Land Income	1,809,261	1,400,548	2,011,094	2,406,944
Interest and Investment Income	2,529,037	1,926,245	2,143,170	2,186,675
Settlements of Claims	624,354	527,043	516,423	506,006
Escheated Estates	715,456	698,823	719,788	741,381
Sales of Goods and Services	254,791	259,529	261,705	262,032
Other Revenue	4,016,497	4,250,381	4,153,013	4,396,482
Total Net Revenue	\$ 141,576,323	\$ 147,841,118	\$ 137,295,579	\$ 133,171,181

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenues deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-17

Percent Change in State Revenue, by Source and Fiscal Year

All Funds, Excluding Trust Funds

	2020 Actual	2021 Estimated	2022 Estimated	2023 Estimated
TAX COLLECTIONS				
Sales Taxes	0.2 %	(1.4) %	3.9 %	4.4 %
Motor Vehicle Sales and Rental Taxes	(3.9)	1.6	3.3	2.4
Motor Fuel Taxes	(5.8)	0.4	1.6	1.9
Franchise Tax	4.8	(5.0)	3.7	6.8
Oil Production Tax	(16.9)	(17.3)	13.7	14.0
Insurance Taxes	5.5	0.7	1.5	3.4
Cigarette and Tobacco Taxes	(7.9)	5.7	(11.3)	7.4
Natural Gas Production Tax	(45.1)	29.1	41.9	8.6
Alcoholic Beverages Taxes	(17.8)	(3.3)	13.2	4.7
Hotel Occupancy Tax	(26.0)	(3.6)	2.7	3.4
Utility Taxes	1.4	(0.1)	3.2	3.0
Other Taxes	(22.6)	(29.1)	7.1	4.6
Total Tax Collections	(3.4) %	(1.6) %	4.6 %	4.9 %
REVENUE BY SOURCE				
Tax Collections	(3.4) %	(1.6) %	4.6 %	4.9 %
Federal Income	38.7	14.7	(22.2)	(10.8)
Licenses, Fees, Fines, and Penalties	(4.6)	(0.4)	3.7	(0.3)
State Health Service Fees and Rebates	5.8	(6.8)	7.8	(27.7)
Net Lottery Proceeds	(4.7)	3.0	4.2	0.0
Land Income	(19.6)	(22.6)	43.6	19.7
Interest and Investment Income	1.0	(23.8)	11.3	2.0
Settlements of Claims	(3.4)	(15.6)	(2.0)	(2.0)
Escheated Estates	3.2	(2.3)	3.0	3.0
Sales of Goods and Services	(8.6)	1.9	0.8	0.1
Other Revenue	(3.0)	5.8	(2.3)	5.9
Total Net Revenue	10.7 %	4.4 %	(7.1) %	(3.0) %

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-18

State Revenue, by Source and Biennium

All Funds, Excluding Trust Funds

	Thousands of Dollars		
	2018-19 Actual	2020-21 Estimated	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	\$ 65,961,151	\$ 67,723,111	\$ 71,380,060
Motor Vehicle Sales and Rental Taxes	9,984,033	9,708,609	10,231,160
Motor Fuel Taxes	7,418,001	7,062,135	7,260,375
Franchise Tax	7,903,809	8,613,720	8,996,400
Oil Production Tax	7,278,341	5,901,423	6,499,152
Insurance Taxes	5,107,459	5,502,411	5,702,696
Cigarette and Tobacco Taxes	2,730,930	2,672,613	2,528,100
Natural Gas Production Tax	3,116,787	2,120,371	3,537,907
Alcoholic Beverages Taxes	2,661,391	2,213,332	2,520,420
Hotel Occupancy Tax	1,237,354	924,580	948,066
Utility Taxes	923,753	955,630	1,000,009
Other Taxes	642,488	431,862	392,689
Total Tax Collections	\$ 114,965,497	\$ 113,829,797	\$ 120,997,034
REVENUE BY SOURCE			
Tax Collections	\$ 114,965,497	\$ 113,829,797	\$ 120,997,034
Federal Income	81,523,043	124,775,140	98,177,705
Licenses, Fees, Fines, and Penalties	13,019,467	12,459,844	12,873,626
State Health Service Fees and Rebates	14,686,818	14,485,501	12,981,590
Net Lottery Proceeds	4,738,922	4,855,193	5,132,092
Land Income	4,312,293	3,209,809	4,418,038
Interest and Investment Income	4,353,442	4,455,282	4,329,845
Settlements of Claims	1,190,673	1,151,397	1,022,429
Escheated Estates	1,329,612	1,414,279	1,461,169
Sales of Goods and Services	564,011	514,320	523,737
Other Revenue	7,423,243	8,266,878	8,549,495
Total Net Revenue	\$ 248,107,022	\$ 289,417,441	\$ 270,466,760

Note: Excludes local funds and deposits by semi-independent agencies. Includes certain state revenue deposited in the State Treasury but not appropriated.

Note: Totals may not sum because of rounding.

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

TABLE A-19

Percent Change in State Revenue, by Source and Biennium All Funds, Excluding Trust Funds

	2018-19 Actual	2020-21 Estimated	2022-23 Estimated
TAX COLLECTIONS			
Sales Taxes	15.4 %	2.7 %	5.4 %
Motor Vehicle Sales and Rental Taxes	9.1	(2.8)	5.4
Motor Fuel Taxes	4.5	(4.8)	2.8
Franchise Tax	11.0	9.0	4.4
Oil Production Tax	91.0	(18.9)	10.1
Insurance Taxes	11.0	7.7	3.6
Cigarette and Tobacco Taxes	(6.2)	(2.1)	(5.4)
Natural Gas Production Tax	99.6	(32.0)	66.9
Alcoholic Beverages Taxes	10.9	(16.8)	13.9
Hotel Occupancy Tax	17.6	(25.3)	2.5
Utility Taxes	5.7	3.5	4.6
Other Taxes	64.2	(32.8)	(9.1)
Total Tax Collections	17.2 %	(1.0) %	6.3 %
REVENUE BY SOURCE			
Tax Collections	17.2 %	(1.0) %	6.3 %
Federal Income	4.7	53.1	(21.3)
Licenses, Fees, Fines, and Penalties	5.1	(4.3)	3.3
State Health Service Fees and Rebates	(0.6)	(1.4)	(10.4)
Net Lottery Proceeds	10.9	2.5	5.7
Land Income	52.2	(25.6)	37.6
Interest and Investment Income	42.6	2.3	(2.8)
Settlements of Claims	0.9	(3.3)	(11.2)
Escheated Estates	(12.9)	6.4	3.3
Sales of Goods and Services	(6.2)	(8.8)	1.8
Other Revenue	26.0	11.4	3.4
Total Net Revenue	11.5 %	16.7 %	(6.5) %

SOURCE: Glenn Hegar, Texas Comptroller of Public Accounts.

Fund Detail

Texas Biennial Revenue Estimate

Schedule I

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE			
0001 General Revenue Fund			
Account: 0001 General Revenue Fund			
3003 Motor Vehicle Sales and Use Tax – Motor Carrier	\$ 1	\$ 0	\$ 0
3004 Motor Vehicle Sales and Use Tax	4,455,732	4,622,237	4,734,239
3005 Motor Vehicle Rental Tax	210,797	217,373	221,721
3007 Gasoline Tax	2,629,338	2,655,262	2,682,552
3008 Diesel Fuel Tax	901,925	934,077	975,596
3011 Liquefied and Compressed Natural Gas Tax	6,160	6,347	6,541
3012 Motor Vehicle Certificates	34,399	35,405	36,440
3014 Motor Vehicle Registration Fees	17,201	17,458	17,721
3016 Motor Vehicle Sales and Use Tax – Seller Financed Motor Vehicles	157,125	161,839	164,267
3018 Special Vehicle Permits	45,156	51,930	53,488
3020 Motor Vehicle Inspection Fees	625	628	641
3026 Voluntary Driver License Fee for Blindness, Screening and Treatment	500	500	500
3027 Driver Record Information Fees	3,390	3,556	3,738
3030 Commercial Driver Training School Fees	1,605	1,605	1,605
3031 Automobile Clubs Registration	30	30	30
3032 School Fund Benefit Fee on Diesel Fuel	162	168	175
3035 Commercial Transportation Fees	13,468	13,599	13,667
3038 Motor Carrier – Proof of Insurance Filing Fee	990	1,029	1,050
3045 Railroad Commission Service Fees	1	1	1
3050 Abandoned Motor Vehicles	1	1	1
3055 Excess Fines from Speeding Violations	139	139	139
3056 Motor Vehicle Safety Responsibility Violations	7,525	7,525	7,525
3057 Motor Carrier Act Penalties	1,101	1,145	1,168
3062 Rail Safety Program Fees	1,629	1,634	1,639
3080 Petroleum Product Delivery Fees	345	350	357
3102 Limited Sales and Use Tax	32,609,500	33,928,400	35,420,600
3104 Manufactured Housing Sales and Use Tax	28,029	28,029	28,029
3106 City Sales Tax Service Fees	125,000	130,000	135,800
3107 Local MTA Sales Tax Service Fees	41,900	43,600	45,600
3108 County Sales Tax Service Fees	12,100	12,600	13,100
3109 Local SPD Sales Tax Service Fees	15,100	15,700	16,400
3111 Boat and Boat Motor Sales and Use Tax	75,800	78,700	83,200
3114 Escheated Estates	698,823	719,788	741,381
3123 Volatile Chemical Sales Permit	738	738	738
3126 License to Carry a Handgun Fees	12,900	11,810	11,810
3130 Franchise/Business Margins Tax	2,936,700	3,045,200	3,252,300
3133 General Business Filing Fees	104,700	109,800	116,300
3134 Private Sector Prison Industries Oversight Receipts	434	434	434
3136 Cement Tax	10,152	10,416	10,687
3137 Racing Association ATM Receipts	100	100	100
3139 Hotel Occupancy Tax	453,877	466,102	481,964
3142 Food Service Worker Training	36	49	36
3146 Combative Sports Admissions Tax	510	510	510
3147 Combative Sports Licenses	88	88	88
3150 Coin-Operated Amusement Machine Tax	8,190	7,881	7,583
3151 Coin-Operated Machine Business License Fee	727	705	684
3152 Bingo Operators/Lessors	559	559	559
3153 Bingo Equipment	62	62	62
3157 Loan Administration Fees	11	9	9
3160 Manufactured and Industrialized Housing Registration License Fees	1,299	1,299	1,299
3161 Manufactured and Industrialized Housing Inspection Fees	2,025	2,025	2,025
3164 Boiler Inspection Fees	2,643	2,643	2,643
3170 Bingo Prize Fees	14,030	14,030	14,030

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE (continued)			
0001 General Revenue Fund (continued)			
Account: 0001 General Revenue Fund (continued)			
3173 Credit Service and Charitable Organizations Registration	\$ 41	\$ 41	\$ 41
3175 Professional Fees	62,006	64,559	64,732
3186 Securities Fees	140,000	140,000	140,000
3201 Insurance Premium Taxes	2,638,111	2,655,246	2,749,332
3203 Insurance Maintenance Taxes	94,737	94,692	94,302
3205 Office of Public Insurance Counsel (OPIC) Assessment	2,643	2,643	2,643
3206 Insurance Company Fees	42,428	42,996	43,573
3210 Insurance Agents Licenses	675	703	734
3214 Insurance Maintenance Tax – Comptroller	(22,800)	0	0
3215 Insurance Department Fees – Miscellaneous	224	224	224
3219 Insurance Maintenance Tax – Workers’ Compensation Division and Office of Injured Employee Counsel	48,748	51,185	53,744
3220 Insurance Maintenance Tax – Workers’ Compensation Research and Oversight Division	901	946	993
3221 Insurance Penalties	44,745	44,745	44,745
3222 Insurance Administrative Penalties and Fines in Lieu of Suspension or Cancellation	7,545	8,935	8,935
3230 Public Utility Gross Receipts Assessment	55,704	56,539	57,104
3233 Gas, Electric and Water Utility Tax	390,321	404,037	416,825
3234 Gas Utility Pipeline Tax	31,450	32,127	33,377
3236 Automatic Dial Announcing Devices	5	5	5
3245 Compressed Natural Gas Training and Examinations	47	47	47
3246 Compressed Natural Gas Licenses	44	44	44
3250 Mixed Beverage Gross Receipts Tax	379,407	443,765	468,667
3251 Mixed Beverage Sales Tax	466,586	544,065	574,623
3253 Liquor Tax	104,016	105,200	106,400
3256 Liquor Permit Fees	33,300	57,047	58,188
3257 License/Permit Surcharges – General	30,500	0	0
3258 Beer Tax	105,501	118,900	120,100
3259 Wine Tax	17,700	18,400	19,100
3261 Wine and Beer Permit Fees	5,600	16,186	16,543
3263 Brew Pub Licenses	145	248	253
3265 Malt Liquor (Ale) Tax	14,800	1,200	0
3266 Temporary Charitable Auction Permit Fees – Alcoholic Beverages	7	12	13
3268 Alcoholic Beverage Code Money Penalty in Lieu of Cancellation or Suspension	1,200	1,200	1,200
3271 Alcoholic Beverage Import Fee	4,448	4,900	4,900
3272 Alcoholic Beverage Seller Training Programs	790	790	806
3273 Alcoholic Beverage Samples and Labels Certificate of Approval	519	519	530
3274 Alcoholic Beverage Commission Administrative Fees	18	18	18
3275 Cigarette Tax	360,700	312,700	341,600
3276 Cigarette Fee	31,100	30,600	30,100
3278 Cigar and Tobacco Products Tax	213,722	210,838	209,212
3280 Tobacco Product Related Fines	104	104	104
3281 Tobacco Product Advertising Fees	41	41	41
3282 Cigarette, Cigar and Tobacco Combination Permits	662	5,977	662
3290 Oil Production Tax	2,672,076	3,037,430	3,461,722
3291 Natural Gas Production Tax	1,194,898	1,695,996	1,841,911
3296 Oil Well Service Tax	47,438	60,293	69,133
3301 Land Office Fees	980	1,100	1,100
3314 Oil and Gas Violations	1,000	1,000	1,000
3321 Oil Royalties from Other State Lands for State Departments, Boards, Agencies	1,238	1,442	1,644
3326 Gas Royalties from Other State Lands for State Departments, Boards, Agencies	12	12	12

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE (continued)			
0001 General Revenue Fund (continued)			
Account: 0001 General Revenue Fund (continued)			
3327 Outer Continental Shelf Settlement Monies	\$ 600	\$ 600	\$ 600
3329 Surface Mining Permits	2,678	2,700	2,700
3340 Land Easements	265	1,466	1,466
3342 Land Lease	56	65	65
3344 Sand, Shell, Gravel, Timber Sales	12	12	12
3366 Business Fees – Natural Resources	486	486	486
3372 Quarry Pit Safety Fees	6	6	6
3390 Purchase of Dry Cleaning Solvent Fees	0	395	345
3396 Deepwater Horizon Incident, Economic Damages	6,667	6,667	6,667
3400 Business Fees – Agriculture	6,244	6,244	6,244
3402 Weighing and Measuring Device Service Licenses	67	67	67
3404 Citrus Budwood and Grove Certification Fees	6	6	6
3410 Agriculture Registration Fees	4,446	5,946	4,446
3414 Agriculture Inspection Fees	17,877	17,877	17,877
3420 Livestock Export/Import Processing Fees	770	745	745
3422 Agricultural Administrative Penalties	250	250	250
3428 Texas Certified Retirement Community Program Application Fees	5	0	5
3435 Game, Fish and Equipment Fees – Commercial	10	10	10
3436 Oyster Fees	6	6	6
3449 Game and Fish, Water Safety, and Parks Violations	3	3	3
3462 Boater Education Exam Fees	302	302	302
3463 Marine Safety Enforcement Officer Certification Fees	4	4	4
3464 Floating Cabin Permit, Application, Renewal and Transfer	1	1	1
3510 High School Equivalency Certificate	650	657	661
3511 Teacher Certification Fees	28,183	25,683	25,683
3530 School Bond Guarantee Fees	448	448	448
3554 Food and Drug Fees	3,093	4,153	2,987
3555 Hazardous Substance Manufacture	269	269	269
3557 Health Care Facilities Fees	7,039	7,039	7,039
3560 Medical Examination and Registration	42,507	43,428	43,763
3562 Health Related Professional Fees	34,969	34,803	35,039
3565 Vendor Drug Rebates, Medicaid Program – Supplemental	46,119	47,293	49,665
3570 Peer Assistance Program Fees	1,601	1,579	1,558
3573 Health Licenses for Camps	193	193	193
3579 Vital Statistics Certification and Service Fees	1,814	1,814	1,814
3582 Controlled Substances Act Forfeited Property Sales	64	64	64
3583 Controlled Substances Act Forfeited Money	3,000	3,000	3,000
3589 Radioactive Materials and Devices for Equipment Regulation	13,351	13,351	13,351
3592 Waste Disposal Facilities, Generators, and Transporters	22	22	22
3595 Medical Assistance Cost Recovery	82,484	82,484	82,484
3598 Battery Sales Fee	987	1,024	1,037
3602 Earned Federal Funds, SNAP Recoupment	6,194	6,320	6,669
3611 Private Institutions License Fees	1,858	1,874	1,865
3616 Social Worker Regulation	1,512	1,515	1,518
3618 Welfare/MHMR Service Fees	24,472	24,409	24,409
3622 Child Support Collections – State, Title IV-D	101,922	101,598	101,598
3625 Court Costs Awarded Parent/Child Cases	243	227	227
3628 Dormitory, Cafeteria and Merchandise Sales	119,000	119,000	119,000
3632 Elderly Housing Set-Aside	415	415	415
3634 Medicare Reimbursements	39,464	39,464	39,464
3636 Inmate Fee for Health Care	1,000	2,000	2,000
3638 Vendor Drug Rebates, Medicaid Program – Mandated	710,919	727,399	763,907

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE (continued)			
0001 General Revenue Fund (continued)			
Account: 0001 General Revenue Fund (continued)			
3639 Premium Credits – Medicaid Program	\$ 8,744	\$ 8,263	\$ 8,280
3640 Vendor Drug Rebates – Non-Medicaid Programs	6,048	6,048	6,048
3642 Residential Aftercare Participant Fees	9	9	9
3643 Premium Co-payments	5,140	5,653	5,653
3649 Vendor Drug and HMO Experience Rebates, CHIP Program	4,262	5,275	6,400
3694 Educator Preparation Program Accreditation Fee	1,584	1,584	1,584
3702 Federal Receipts – Earned Credits	55,933	56,019	56,011
3704 Court Costs	5,000	4,000	3,000
3705 State Parking Violations	44	44	44
3706 Arrest Fees	1,024	1,024	1,024
3707 Marriage License Fees	1,677	1,612	1,549
3708 Judge's Retirement Contributions	17	17	17
3710 Court Fines	50,030	50,030	50,030
3714 Judgments and Settlements	30,700	30,700	30,700
3716 Lien Fees	375	375	375
3717 Civil Penalties	5,000	5,000	5,000
3720 Expedited Handling Charges, Secretary of State	1,800	1,800	1,800
3723 Fees for Examinations and Audits	12,164	10,879	10,795
3724 Insurance Notification of HIV Related Test Fees	1	1	1
3726 Federal Receipts – Indirect Cost Recoveries	38,014	37,621	37,687
3727 Fees for Administrative Services	(45,267)	64,240	60,272
3731 Controlled Substance Reimbursement of Related Costs	2,100	2,200	2,200
3733 Workers' Compensation Administrative Penalties	849	849	849
3735 Recovery of Parole Costs	6,606	6,937	6,937
3746 Rental of Lands/Miscellaneous Land Income	800	800	800
3748 Royalties	59	75	75
3749 Use of Great Seal of Texas – Licenses	3	3	3
3753 Sale of Surplus Property Fee	713	713	713
3755 Commemorative Sales/Gift Shop and Museum Revenues	88	88	88
3756 Prison Industries Sales	3,516	4,205	4,205
3763 Sale of Operating Supplies	3	3	3
3770 Administrative Penalties	15,693	15,655	15,699
3771 Tax Refunds to Employers of TANF Recipients	(80)	(120)	(180)
3775 Returned Check Fees	476	533	522
3776 Fingerprint Record Fees	100	100	100
3777 Warrants Voided by Statute of Limitation – Default Fund	10,000	10,000	10,000
3782 Repayments from Political Subdivisions/Other of Loans/Advances	8,125	7,375	6,682
3793 Political Subdivision Administrative Fees, Failure to Appear	35	0	0
3795 Other Miscellaneous Governmental Revenue	4,279	4,461	4,461
3796 Interest Received/Paid to Federal Government	(3,000)	(3,000)	(3,000)
3799 Local Account Balances Brought into Treasury	766	811	834
3801 Time Payment Plan for Court Costs/Fees	24	0	0
3839 Sale of Vehicles, Boats and Aircraft	2,420	2,420	2,420
3848 Public/Private Revenue Sharing – State Receipts (State Electronic Internet Portal)	32,074	32,246	31,875
3849 Tobacco Suit Settlement Receipts	456,900	445,800	435,100
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	3,015	3,015	3,015
3854 Interest Other – General, Non-Program	1,556	1,556	1,556
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	656	516	422
3901 Allocations to GR 0001 (Unapp Undyed Diesel), Fund 0002, Fund 0006 and Fund 0057 from Fund 0001 (Motor Fuels Tax)	(2,586,246)	(2,625,914)	(2,675,686)

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE (concluded)			
0001 General Revenue Fund (concluded)			
Account: 0001 General Revenue Fund (concluded)			
3924 Allocations to GRD Accounts 0064, 0467, 5004 and 5150 (Parks and Wildlife) from Fund 0001 (Sporting Goods Sales Tax)	\$ 0	\$ (183,117)	\$ (193,347)
3924 Allocations to GRD Account 5139 (Historic Site) from Fund 0001 (Sporting Goods Sales Tax)	0	(13,783)	(14,553)
3925 Allocations to Fund 0006 (State Highway) from Fund 0001 (Sales and Use Tax)	(2,500,000)	(2,500,000)	(2,500,000)
3928 Allocations to Fund 0006 (State Highway) from Fund 0001 (Motor Vehicle Tax)	0	(9,745)	(51,541)
3950 Allocations to Fund 0001/Other Funds from Special Funds – UB	12,705	20,292	20,292
3952 Transfer to Unappropriated GR 0001 from Disproportionate Share Funds	199,310	198,149	198,149
3953 Unappropriated GR 0001 Reimbursement for Statewide Cost Allocation Plan (SWCAP)	12,012	12,012	12,012
Total Estimated Account 0001 Receipts	52,053,870	54,695,524	57,333,200
ACCOUNT: 0193 GR ACCOUNT – FOUNDATION SCHOOL			
3922 Transfers to GR Account – Foundation School 0193 from GR Account – Lottery 5025 (Education)	1,617,708	1,534,623	1,542,090
3963 Transfer to GR Account – State Owned Multicategorical Teaching Hospital 5049 and Unappropriated GR 0001 from GR Account – Lottery 5025 (Other)	83,253	79,265	79,265
Total Estimated Account 0193 Receipts	1,700,961	1,613,888	1,621,355
Total Estimated Fund 0001 Receipts	53,754,831	56,309,412	58,954,555
0002 Available School Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	867	1,087	1,110
3910 Transfers to Available Education Funds from Permanent Education Funds	1,701,670	2,132,000	2,177,000
Total Estimated Fund 0002 Receipts	1,702,537	2,133,087	2,178,110
0003 State Technology and Instructional Materials Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1,856	1,856	486
Total Estimated Fund 0003 Receipts	1,856	1,856	486
Total Estimated General Revenue	55,459,224	58,444,355	61,133,151
SOURCE: GENERAL REVENUE DEDICATED			
0001 General Revenue Fund			
Account: 0009 GR Account – Game, Fish, and Water Safety			
3111 Boat and Boat Motor Sales and Use Tax	4,050	4,212	4,448
3319 Oil Royalties from Parks and Wildlife Lands	101	155	155
3324 Gas Royalties from Parks and Wildlife Lands	43	68	68
3340 Land Easements	2	2	2
3341 Grazing Lease Rental	286	286	286
3344 Sand, Shell, Gravel, Timber Sales	89	89	89
3433 Lake Texoma Fishing License Fees	304	304	304
3434 Game, Fish and Equipment Fees – Non-Commercial	105,248	105,248	105,248
3435 Game, Fish and Equipment Fees – Commercial	5,593	5,593	5,593
3437 Public Hunting/Fishing/Other Participation Fees	1,837	1,837	1,837
3445 Oyster Bed Location Rental	48	48	48
3446 Wildlife Value Recovery	776	776	776
3447 Sale of Confiscated Pelts, Marine Life, Vessels, Contraband	14	14	14
3448 Parks and Wildlife, Sale of Forfeited Property	14	14	14
3449 Game and Fish, Water Safety, and Parks Violations	1,666	1,666	1,666
3452 Wildlife Management Permits	3,376	4,390	4,390

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0009 GR Account – Game, Fish, and Water Safety (concluded)			
3455 Vessel Registration Fees	\$ 14,904	\$ 14,904	\$ 14,904
3456 Vessel or Outboard Motor Title Certificate	4,662	4,662	4,662
3464 Floating Cabin Permit, Application, Renewal and Transfer	42	42	42
3468 Parks and Wildlife Publication Sales	871	871	871
3714 Judgments and Settlements	423	423	423
3727 Fees for Administrative Services	1,563	1,588	1,588
3755 Commemorative Sales/Gift Shop and Museum Revenues	123	144	144
3839 Sale of Vehicles, Boats and Aircraft	709	709	709
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	550	550	550
Total Estimated Account 0009 Receipts	147,294	148,595	148,831
Account: 0019 GR Account – Vital Statistics			
3579 Vital Statistics Certification and Service Fees	4,769	4,530	4,530
3624 Adoption Registry Fees	130	130	130
Total Estimated Account 0019 Receipts	4,899	4,660	4,660
Account: 0027 GR Account – Coastal Protection			
3378 Coastal Protection Fee	15,016	15,334	10,271
3379 Oil Spill Prevention and Response Act Violations	117	117	117
3839 Sale of Vehicles, Boats and Aircraft	5	5	5
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	55	73	88
Total Estimated Account 0027 Receipts	15,193	15,529	10,481
Account: 0028 GR Account – Appraiser Registry			
3175 Professional Fees	166	1,003	166
Total Estimated Account 0028 Receipts	166	1,003	166
Account: 0036 GR Account – Texas Department of Insurance Operating			
3149 Amusement Ride Inspection	246	209	179
3175 Professional Fees	3,292	3,346	3,403
3206 Insurance Company Fees	339	321	306
3210 Insurance Agents Licenses	24,260	25,126	25,113
3212 Texas Workers' Compensation Self-Insurance Regulatory Fees	521	482	445
3213 Catastrophe Property Insurance Pool Fees	1	1	1
3215 Insurance Department Fees – Miscellaneous	805	787	772
3216 Insurance Department Examination and Audit Fees	3,362	4,346	4,346
3219 Insurance Maintenance Tax – Workers' Compensation Division and Office of Injured Employee Counsel	1,050	1,161	1,051
3220 Insurance Maintenance Tax – Workers' Compensation Research and Oversight Division	11	22	22
3727 Fees for Administrative Services	139	93	56
Total Estimated Account 0036 Receipts	34,026	35,894	35,694
Account: 0064 GR Account – State Parks			
3319 Oil Royalties from Parks and Wildlife Lands	244	270	270
3324 Gas Royalties from Parks and Wildlife Lands	785	979	979
3340 Land Easements	9	9	9
3341 Grazing Lease Rental	7	7	7
3342 Land Lease	32	32	32
3344 Sand, Shell, Gravel, Timber Sales	9	10	10
3349 Land Sales	49	0	0
3449 Game and Fish, Water Safety, and Parks Violations	96	96	96
3461 State Park Fees	46,782	51,980	51,980

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0064 GR Account – State Parks (concluded)			
3468 Parks and Wildlife Publication Sales	\$ 932	\$ 932	\$ 932
3883 Issuance of Parks and Wildlife Gift Cards	39	39	39
3924 Allocations to GRD Account 0064 from Fund 0001 (Sporting Goods Sales Tax)	0	183,117	193,347
Total Estimated Account 0064 Receipts	48,984	237,471	247,701
Account: 0088 GR Account – Low-Level Radioactive Waste			
3589 Radioactive Materials and Devices for Equipment Regulation	450	450	450
3590 Low-Level Radioactive Waste Disposal Fees	250	250	250
Total Estimated Account 0088 Receipts	700	700	700
Account: 0116 GR Account – Texas Commission on Law Enforcement			
3175 Professional Fees	130	130	130
3704 Court Costs	6,496	6,837	6,535
3727 Fees for Administrative Services	30	25	25
3839 Sale of Vehicles, Boats and Aircraft	5	0	0
Total Estimated Account 0116 Receipts	6,661	6,992	6,690
Account: 0127 GR Account – Community Affairs Federal			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	600	630	662
Total Estimated Account 0127 Receipts	600	630	662
Account: 0129 GR Account – Hospital Licensing			
3557 Health Care Facilities Fees	2,542	2,542	2,542
Total Estimated Account 0129 Receipts	2,542	2,542	2,542
Account: 0151 GR Account – Clean Air			
3020 Motor Vehicle Inspection Fees	53,660	52,480	53,005
3375 Air Pollution Control Fees	15,576	15,588	15,600
Total Estimated Account 0151 Receipts	69,236	68,068	68,605
Account: 0153 GR Account – Water Resource Management			
3242 Water/Sewer Utility Service Regulatory Assessments/Penalties	11,263	11,601	11,949
3364 Water Use Permits	6,213	6,299	6,389
3366 Business Fees – Natural Resources	26,732	26,876	27,281
3370 Boat Sewage Disposal Device Certificate	8	30	8
3371 Waste Treatment Inspection Fee	36,240	37,809	38,380
3373 Injection Well Regulation	11	11	11
3592 Waste Disposal Facilities, Generators, Transporters	700	711	724
3596 Automotive Oil Sales Fee	2,888	2,945	3,004
Total Estimated Account 0153 Receipts	84,055	86,282	87,746
Account: 0158 GR Account – Watermaster Administration			
3364 Water Use Permits	2,680	2,680	2,680
3592 Waste Disposal Facilities, Generators, Transporters	(24)	0	0
Total Estimated Account 0158 Receipts	2,656	2,680	2,680
Account: 0165 GR Account – Unemployment Compensation Special Administration			
3716 Lien Fees	4	4	4
3732 Unemployment Compensation Penalties	16,221	16,221	16,221
3770 Administrative Penalties	211	211	211
Total Estimated Account 0165 Receipts	16,436	16,436	16,436

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0221 GR Account – Federal Civil Defense and Disaster Relief			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	\$ 1	\$ 1	\$ 1
Total Estimated Account 0221 Receipts	1	1	1
Account: 0222 GR Account – Department of Public Safety Federal			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	15	15	15
Total Estimated Account 0222 Receipts	15	15	15
Account: 0224 GR Account – Governor's Office Federal Projects			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	146	146	146
Total Estimated Account 0224 Receipts	146	146	146
Account: 0225 GR Account – University of Houston Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	77,839	77,839	77,839
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	607	607	607
Total Estimated Account 0225 Receipts	78,446	78,446	78,446
Account: 0227 GR Account – Angelo State University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	10,878	10,891	10,923
3522 Higher Education, Sales/Services of Educational and Research Activities	120	120	120
3527 Administrative Fees – Higher Education	155	155	155
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	35	35	35
Total Estimated Account 0227 Receipts	11,188	11,201	11,233
Account: 0228 GR Account – University of Texas at Tyler Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	13,377	13,736	14,111
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	65	65	65
Total Estimated Account 0228 Receipts	13,442	13,801	14,176
Account: 0229 GR Account – University of Houston - Clear Lake Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	12,672	12,672	12,925
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	41	41	41
Total Estimated Account 0229 Receipts	12,713	12,713	12,966
Account: 0230 GR Account – Texas A&M University - Corpus Christi Current			
3503 Higher Education, Other Fees	4	0	0
3505 Higher Education, Tuition and Fees – Non-Pledged	16,475	16,650	16,827
3506 Higher Education, Laboratory Fees	68	64	70
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	56	56	56
Total Estimated Account 0230 Receipts	16,603	16,770	16,953
Account: 0231 GR Account – Texas A&M International University Current			
3503 Higher Education, Other Fees	146	146	146
3505 Higher Education, Tuition and Fees – Non-Pledged	10,853	11,103	11,359
3506 Higher Education, Laboratory Fees	179	181	183
3527 Administrative Fees – Higher Education	30	30	30
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	78	78	78
Total Estimated Account 0231 Receipts	11,286	11,538	11,796
Account: 0232 GR Account – Texas A&M University - Texarkana Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	1,930	2,027	2,087
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	10	10	10
Total Estimated Account 0232 Receipts	1,940	2,037	2,097

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0233 GR Account – University of Houston - Victoria Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	\$ 5,237	\$ 5,237	\$ 5,237
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	11	11	11
Total Estimated Account 0233 Receipts	5,248	5,248	5,248
Account: 0236 GR Account – University of Texas System Cancer Center Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	734	748	763
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	6	6	6
Total Estimated Account 0236 Receipts	740	754	769
Account: 0237 GR Account – Texas State Technical College System Current			
3688 Higher Education, Tuition and Fees – Pledged	5,458	5,622	5,790
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	57	57	57
Total Estimated Account 0237 Receipts	5,515	5,679	5,847
Account: 0238 GR Account – University of Texas at Dallas Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	51,919	53,458	54,514
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	174	174	174
Total Estimated Account 0238 Receipts	52,093	53,632	54,688
Account: 0239 GR Account – Texas Tech University Health Sciences Center Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	16,646	16,646	16,646
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	55	55	55
Total Estimated Account 0239 Receipts	16,701	16,701	16,701
Account: 0242 GR Account – Texas A&M University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	112,000	112,800	113,300
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	482	482	482
Total Estimated Account 0242 Receipts	112,482	113,282	113,782
Account: 0243 GR Account – Tarleton State University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	16,263	16,588	16,920
3506 Higher Education, Laboratory Fees	177	160	144
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	21	21	21
Total Estimated Account 0243 Receipts	16,461	16,769	17,085
Account: 0244 GR Account – University of Texas at Arlington Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	66,744	67,924	68,488
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	218	218	218
Total Estimated Account 0244 Receipts	66,962	68,142	68,706
Account: 0245 GR Account – Prairie View A&M University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	14,875	15,061	15,249
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	114	114	114
Total Estimated Account 0245 Receipts	14,989	15,175	15,363
Account: 0246 GR Account – University of Texas Medical Branch at Galveston Current			
3503 Higher Education, Other Fees	320	327	333
3505 Higher Education, Tuition and Fees – Non-Pledged	10,214	10,418	10,627
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	15	15	15
Total Estimated Account 0246 Receipts	10,549	10,760	10,975

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0247 GR Account – Texas Southern University Current			
3503 Higher Education, Other Fees	\$ 80	\$ 39	\$ 39
3505 Higher Education, Tuition and Fees – Non-Pledged	22,930	23,801	23,801
3506 Higher Education, Laboratory Fees	424	170	170
3507 Higher Education, Student Fees	1,111	535	535
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	80	80	80
Total Estimated Account 0247 Receipts	24,625	24,625	24,625
Account: 0248 GR Account – University of Texas at Austin Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	112,950	112,950	112,950
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	717	717	717
Total Estimated Account 0248 Receipts	113,667	113,667	113,667
Account: 0249 GR Account – University of Texas at San Antonio Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	43,778	44,924	45,375
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	141	141	141
Total Estimated Account 0249 Receipts	43,919	45,065	45,516
Account: 0250 GR Account – University of Texas at El Paso Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	31,184	31,396	31,977
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	39	39	39
Total Estimated Account 0250 Receipts	31,223	31,435	32,016
Account: 0251 GR Account – University of Texas of the Permian Basin Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	8,132	8,299	8,469
3506 Higher Education, Laboratory Fees	20	20	20
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	71	71	71
Total Estimated Account 0251 Receipts	8,223	8,390	8,560
Account: 0252 GR Account – University of Texas Southwestern Medical Center Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	6,501	6,455	6,455
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	130	130	130
Total Estimated Account 0252 Receipts	6,631	6,585	6,585
Account: 0253 GR Account – Texas Woman's University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	20,935	20,958	20,979
3687 Tuition Set-Aside for Dental Hygiene Education Loan Repayments	18	18	18
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	35	35	35
Total Estimated Account 0253 Receipts	20,988	21,011	21,032
Account: 0254 GR Account – Texas A&M University - Kingsville Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	12,367	12,487	12,606
3506 Higher Education, Laboratory Fees	84	86	86
3527 Administrative Fees – Higher Education	240	240	240
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	23	23	23
Total Estimated Account 0254 Receipts	12,714	12,836	12,955
Account: 0255 GR Account – Texas Tech University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	57,293	57,293	57,293
3527 Administrative Fees – Higher Education	575	575	575
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	504	504	504
Total Estimated Account 0255 Receipts	58,372	58,372	58,372

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0256 GR Account – Lamar University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	\$ 17,000	\$ 17,000	\$ 17,000
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	38	38	38
Total Estimated Account 0256 Receipts	17,038	17,038	17,038
Account: 0257 GR Account – Texas A&M University - Commerce Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	15,631	15,579	15,564
3506 Higher Education, Laboratory Fees	86	86	86
3527 Administrative Fees – Higher Education	100	100	100
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	23	23	23
Total Estimated Account 0257 Receipts	15,840	15,788	15,773
Account: 0258 GR Account – University of North Texas Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	47,448	48,397	49,364
3506 Higher Education, Laboratory Fees	137	140	143
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	217	217	217
Total Estimated Account 0258 Receipts	47,802	48,754	49,724
Account: 0259 GR Account – Sam Houston State University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	26,642	26,703	26,903
3507 Higher Education, Student Fees	442	450	456
3527 Administrative Fees – Higher Education	112	112	112
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	103	103	103
Total Estimated Account 0259 Receipts	27,299	27,368	27,574
Account: 0260 GR Account – Texas State University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	42,524	42,524	42,524
3506 Higher Education, Laboratory Fees	80	80	80
3522 Higher Education, Sales/Services of Educational and Research Activities	1,065	1,065	1,065
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	103	103	103
Total Estimated Account 0260 Receipts	43,772	43,772	43,772
Account: 0261 GR Account – Stephen F. Austin State University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	15,725	15,800	15,850
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	19	19	19
Total Estimated Account 0261 Receipts	15,744	15,819	15,869
Account: 0262 GR Account – Sul Ross State University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	1,660	1,648	1,644
3527 Administrative Fees – Higher Education	8	8	8
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	11	11	11
Total Estimated Account 0262 Receipts	1,679	1,667	1,663
Account: 0263 GR Account – West Texas A&M University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	12,698	12,657	12,678
3527 Administrative Fees – Higher Education	35	14	12
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	10	10	10
Total Estimated Account 0263 Receipts	12,743	12,681	12,700
Account: 0264 GR Account – Midwestern State University Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	5,276	5,225	5,181
3506 Higher Education, Laboratory Fees	50	48	48

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0264 GR Account – Midwestern State University Current (concluded)			
3687 Tuition Set-Aside for Dental Hygiene Education Loan Repayments	\$ 1	\$ 1	\$ 1
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	11	11	11
Total Estimated Account 0264 Receipts	5,338	5,285	5,241
Account: 0268 GR Account – University of Houston Downtown Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	17,404	17,752	18,107
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	22	22	22
Total Estimated Account 0268 Receipts	17,426	17,774	18,129
Account: 0271 GR Account – University of Texas Health Science Center at Houston Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	23,572	23,689	23,808
3506 Higher Education, Laboratory Fees	150	150	150
3684 Dental School Set-Aside, Loan Repayments	45	45	45
3687 Tuition Set-Aside for Dental Hygiene Education Loan Repayments	2	2	2
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	222	222	222
Total Estimated Account 0271 Receipts	23,991	24,108	24,227
Account: 0275 GR Account – Texas A&M University at Galveston Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	3,051	3,112	3,175
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	19	19	19
Total Estimated Account 0275 Receipts	3,070	3,131	3,194
Account: 0279 GR Account – University of Texas Health Science Center at San Antonio Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	12,003	12,140	12,284
3684 Dental School Set-Aside, Loan Repayments	48	48	48
3687 Tuition Set-Aside for Dental Hygiene Education Loan Repayments	2	2	2
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	33	33	33
Total Estimated Account 0279 Receipts	12,086	12,223	12,367
Account: 0280 GR Account – University of North Texas Health Science Center at Fort Worth Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	10,076	10,126	10,227
3506 Higher Education, Laboratory Fees	24	24	25
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	17	17	17
Total Estimated Account 0280 Receipts	10,117	10,167	10,269
Account: 0282 GR Account – University of Texas Health Center at Tyler Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	382	387	464
3506 Higher Education, Laboratory Fees	5	2	3
Total Estimated Account 0282 Receipts	387	389	467
Account: 0285 GR Account – Lamar State College Orange Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	1,931	1,951	1,970
3506 Higher Education, Laboratory Fees	23	23	24
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	15	15	15
Total Estimated Account 0285 Receipts	1,969	1,989	2,009

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0286 GR Account – Lamar State College Port Arthur Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	\$ 1,827	\$ 1,857	\$ 1,876
3506 Higher Education, Laboratory Fees	15	15	16
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	11	11	11
Total Estimated Account 0286 Receipts	1,853	1,883	1,903
Account: 0287 GR Account – Lamar Institute of Technology Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	2,080	2,080	2,080
3506 Higher Education, Laboratory Fees	11	11	11
3687 Tuition Set-Aside for Dental Hygiene Education Loan Repayments	1	1	1
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	10	10	10
Total Estimated Account 0287 Receipts	2,102	2,102	2,102
Account: 0289 GR Account – Texas A&M University System Health Science Center Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	16,671	16,966	17,136
3684 Dental School Set-Aside, Loan Repayments	42	42	42
3687 Tuition Set-Aside for Dental Hygiene Education Loan Repayments	2	2	2
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	141	141	141
Total Estimated Account 0289 Receipts	16,856	17,151	17,321
Account: 0290 GR Account – Texas A&M University - San Antonio Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	6,796	6,855	6,915
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	58	58	58
Total Estimated Account 0290 Receipts	6,854	6,913	6,973
Account: 0291 GR Account – Texas A&M University - Central Texas Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	2,397	2,395	2,382
3506 Higher Education, Laboratory Fees	8	8	8
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	7	7	7
Total Estimated Account 0291 Receipts	2,412	2,410	2,397
Account: 0292 GR Account – University of North Texas - Dallas Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	7,098	7,453	7,825
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	15	15	15
Total Estimated Account 0292 Receipts	7,113	7,468	7,840
Account: 0293 GR Account – University of Texas - Rio Grande Valley Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	34,765	34,765	34,765
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	226	226	226
Total Estimated Account 0293 Receipts	34,991	34,991	34,991
Account: 0294 GR Account – Texas Tech University Health Sciences Center El Paso Current			
3505 Higher Education, Tuition and Fees – Non-Pledged	2,992	3,586	4,424
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	27	27	27
Total Estimated Account 0294 Receipts	3,019	3,613	4,451
Account: 0341 GR Account – Food and Drug Retail Fees			
3554 Food and Drug Fees	2,621	2,684	2,490
Total Estimated Account 0341 Receipts	2,621	2,684	2,490

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0412 GR Account – Midwestern State University Special Mineral			
3320 Oil Royalties from Lands Owned by Educational Institutions	\$ 2	\$ 2	\$ 2
Total Estimated Account 0412 Receipts	2	2	2
Account: 0421 GR Account – Criminal Justice Planning			
3704 Court Costs	16,115	17,034	16,281
Total Estimated Account 0421 Receipts	16,115	17,034	16,281
Account: 0449 GR Account – Texas Military Federal			
3795 Other Miscellaneous Governmental Revenue	18	18	18
Total Estimated Account 0449 Receipts	18	18	18
Account: 0450 GR Account – Coastal Public Lands Management Fee			
3302 Land Office Administrative Fees	312	312	312
Total Estimated Account 0450 Receipts	312	312	312
Account: 0468 GR Account – TCEQ Occupational Licensing			
3175 Professional Fees	428	414	474
3366 Business Fees – Natural Resources	1,152	1,089	1,186
3386 Engineer Registration Program Fees	25	13	21
3562 Health Related Professional Fees	140	96	128
3592 Waste Disposal Facilities, Generators, Transporters	792	741	790
Total Estimated Account 0468 Receipts	2,537	2,353	2,599
Account: 0469 GR Account – Compensation to Victims of Crime			
3704 Court Costs	46,377	49,008	46,841
3727 Fees for Administrative Services	15,999	16,231	16,494
3734 Recoveries from Crime Victim Restitution	910	910	910
3777 Warrants Voided by Statute of Limitation – Default Fund	181	94	94
3801 Time Payment Plan for Court Costs/Fees	7	7	7
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	255	255	255
Total Estimated Account 0469 Receipts	63,729	66,505	64,601
Account: 0492 GR Account – Business Enterprise Program			
3628 Dormitory, Cafeteria and Merchandise Sales	666	666	666
Total Estimated Account 0492 Receipts	666	666	666
Account: 0494 GR Account – Compensation to Victims of Crime Auxiliary			
3736 Unclaimed Compensation to Crime Victims	500	500	500
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	45	45	45
Total Estimated Account 0494 Receipts	545	545	545
Account: 0501 GR Account – Motorcycle Education			
3025 Driver's License Fees	1,412	1,412	1,412
Total Estimated Account 0501 Receipts	1,412	1,412	1,412
Account: 0506 GR Account – Non-Game and Endangered Species Conservation			
3435 Game, Fish and Equipment Fees – Commercial	23	23	23
3452 Wildlife Management Permits	9	9	9
3469 Parks and Wildlife Publication Royalties and Commissions	1	1	1
Total Estimated Account 0506 Receipts	33	33	33

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0512 GR Account – Bureau of Emergency Management			
3557 Health Care Facilities Fees	\$ 134	\$ 133	\$ 133
3560 Medical Examination and Registration	2,505	2,480	2,480
Total Estimated Account 0512 Receipts	2,639	2,613	2,613
Account: 0524 GR Account – Public Health Services Fee			
3595 Medical Assistance Cost Recovery	24,571	23,343	23,343
3727 Fees for Administrative Services	90	90	90
Total Estimated Account 0524 Receipts	24,661	23,433	23,433
Account: 0540 GR Account – Judicial and Court Personal Training Fund			
3704 Court Costs	6,270	6,600	6,308
3711 Judicial Fees	6,000	6,000	6,000
Total Estimated Account 0540 Receipts	12,270	12,600	12,308
Account: 0543 GR Account – Texas Capital Trust			
3315 Oil and Gas Lease Bonus	50	50	50
3316 Oil and Gas Lease Rental	5	5	5
3321 Oil Royalties from Other State Lands for State Departments, Boards, Agencies	1,549	831	723
3326 Gas Royalties from Other State Lands for State Departments, Boards, Agencies	265	201	182
3340 Land Easements	17	17	17
3349 Land Sales	1,836	1,836	1,836
3746 Rental of Lands /Miscellaneous Land Income	80	80	80
Total Estimated Account 0543 Receipts	3,802	3,020	2,893
Account: 0544 GR Account – Lifetime License Endowment			
3434 Game, Fish and Equipment Fees – Non-Commercial	1,372	1,372	1,372
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	140	140	140
Total Estimated Account 0544 Receipts	1,512	1,512	1,512
Account: 0549 GR Account – Waste Management			
3374 Underground and Above Ground Storage Tank Fees	1	1	1
3571 Hazardous Waste Clean Up Application Fees	1,000	1,000	1,000
3585 Toxic Chemical Release Form Reporting Fees	131	131	131
3589 Radioactive Materials and Devices for Equipment Regulation	1,054	1,054	1,054
3592 Waste Disposal Facilities, Generators, Transporters	33,993	34,238	34,486
3727 Fees for Administrative Services	25	25	25
Total Estimated Account 0549 Receipts	36,204	36,449	36,697
Account: 0550 GR Account – Hazardous and Solid Waste Remediation Fees			
3571 Hazardous Waste Clean Up Application Fees	80	85	85
3592 Waste Disposal Facilities, Generators, Transporters	5,415	5,420	5,420
3598 Battery Sales Fee	23,276	23,393	23,510
Total Estimated Account 0550 Receipts	28,771	28,898	29,015
Account: 0570 GR Account – Federal Surplus Property Service Charge			
3753 Sale of Surplus Property Fee	1,226	1,260	1,260
3839 Sale of Vehicles, Boats and Aircraft	10	0	0
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	34	34	34
Total Estimated Account 0570 Receipts	1,270	1,294	1,294

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 0581 GR Account – Bill Blackwood Law Enforcement Management Institute			
3704 Court Costs	\$ 2,779	\$ 2,928	\$ 2,799
Total Estimated Account 0581 Receipts	2,779	2,928	2,799
Account: 0597 GR Account – Texas Racing Commission			
3188 Race Track Licenses – Horse	1,550	1,389	1,244
3189 Racing and Wagering Licenses	796	796	796
3190 Race Track Licenses – Greyhound	635	581	532
3196 Racing Pool – State Share – Greyhound, Simulcast Pari-Mutuel	400	400	400
3200 Racing Pool – State Share – Horse, Simulcast Pari-Mutuel	1,800	1,800	1,800
Total Estimated Account 0597 Receipts	5,181	4,966	4,772
Account: 0655 GR Account – Petroleum Storage Tank Remediation			
3080 Petroleum Product Delivery Fees	16,883	17,161	17,490
Total Estimated Account 0655 Receipts	16,883	17,161	17,490
Account: 0664 GR Account – Texas Preservation Trust			
3855 Interest on Investments, Obligations and Securities – General, Non-Program	249	249	249
Total Estimated Account 0664 Receipts	249	249	249
Account: 0679 GR Account – Artificial Reef			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	70	70	70
Total Estimated Account 0679 Receipts	70	70	70
Account: 5000 GR Account – Solid Waste Disposal Fees			
3592 Waste Disposal Facilities, Generators, Transporters	11,493	11,606	11,720
Total Estimated Account 5000 Receipts	11,493	11,606	11,720
Account: 5005 GR Account – Oil Overcharge			
3782 Repayments from Political Subdivisions/Other of Loans/Advances	9,851	10,713	9,614
3785 Interest on Oil Overcharge Loans	1,372	1,566	1,288
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	461	461	461
Total Estimated Account 5005 Receipts	11,684	12,740	11,363
Account: 5006 GR Account – Attorney General Law Enforcement			
3583 Controlled Substances Act Forfeited Money	328	527	527
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	15	15	14
Total Estimated Account 5006 Receipts	343	542	541
Account: 5007 GR Account – Commission on State Emergency Communications			
3563 Equalization Surcharges, 9-1-1 Emergencies	18,355	18,355	18,355
Total Estimated Account 5007 Receipts	18,355	18,355	18,355
Account: 5010 GR Account – Sexual Assault Program			
3175 Professional Fees	13,500	17,200	19,700
3710 Court Fines	204	207	211
3727 Fees for Administrative Services	244	248	253
Total Estimated Account 5010 Receipts	13,948	17,655	20,164
Account: 5012 GR Account – Crime Stoppers Assistance			
3704 Court Costs	473	482	461
Total Estimated Account 5012 Receipts	473	482	461

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 5013 GR Account – Breath Alcohol Testing			
3704 Court Costs	\$ 738	\$ 775	\$ 740
Total Estimated Account 5013 Receipts	738	775	740
Account: 5017 GR Account – Asbestos Removal Licensure			
3175 Professional Fees	3,769	3,769	3,769
Total Estimated Account 5017 Receipts	3,769	3,769	3,769
Account: 5018 GR Account – Home Health Services			
3557 Health Care Facilities Fees	6,307	6,826	6,307
3770 Administrative Penalties	1,697	1,697	1,697
Total Estimated Account 5018 Receipts	8,004	8,523	8,004
Account: 5020 GR Account – Workplace Chemicals List			
3577 Tier Two Forms Filing Fees	1,218	1,310	1,415
Total Estimated Account 5020 Receipts	1,218	1,310	1,415
Account: 5021 GR Account – Certification of Mammography Systems			
3557 Health Care Facilities Fees	1,341	1,328	1,328
Total Estimated Account 5021 Receipts	1,341	1,328	1,328
Account: 5022 GR Account – Oyster Sales			
3436 Oyster Fees	291	277	277
Total Estimated Account 5022 Receipts	291	277	277
Account: 5024 GR Account – Food and Drug Registration			
3554 Food and Drug Fees	10,254	9,705	10,254
Total Estimated Account 5024 Receipts	10,254	9,705	10,254
Account: 5025 GR Account – Lottery			
3176 Lottery License Application Fees	311	311	311
3177 Lottery Ticket Sales	551,744	525,433	525,433
3178 Lottery Security Proceeds	60	60	60
Total Estimated Account 5025 Receipts	552,115	525,804	525,804
Account: 5026 GR Account – Workforce Commission Federal			
3321 Oil Royalties from Other State Lands for State Departments, Boards, Agencies	2	2	2
3349 Land Sales	225	782	1,633
3716 Lien Fees	55	55	55
3751 Sale of Buildings	1,201	1,975	3,236
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	16	16	16
Total Estimated Account 5026 Receipts	1,499	2,830	4,942
Account: 5029 GR Account – Center for Study and Prevention of Juvenile Crime and Delinquency			
3704 Court Costs	1,615	1,696	1,621
Total Estimated Account 5029 Receipts	1,615	1,696	1,621
Account: 5044 GR Account – Permanent Fund for Health and Tobacco Education and Enforcement			
3873 Interest on Investments, Obligations and Securities, Operating Revenue – Operating Grants and Contributions	425	118	98
Total Estimated Account 5044 Receipts	425	118	98

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 5045 GR Account – Permanent Fund for Children and Public Health			
3873 Interest on Investments, Obligations and Securities, Operating Revenue –			
Operating Grants and Contributions	\$ 213	\$ 58	\$ 47
Total Estimated Account 5045 Receipts	213	58	47
Account: 5046 GR Account – Permanent Fund for Emergency Medical Services and Trauma Care			
3873 Interest on Investments, Obligations and Securities, Operating Revenue –			
Operating Grants and Contributions	213	56	44
Total Estimated Account 5046 Receipts	213	56	44
Account: 5047 GR Account – Permanent Fund for Rural Health Facility Capital Improvement			
3873 Interest on Investments, Obligations and Securities, Operating Revenue –			
Operating Grants and Contributions	1,701	1,746	1,786
Total Estimated Account 5047 Receipts	1,701	1,746	1,786
Account: 5048 GR Account – Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease			
3873 Interest on Investments, Obligations and Securities, Operating Revenue –			
Operating Grants and Contributions	850	873	893
Total Estimated Account 5048 Receipts	850	873	893
Account: 5049 GR Account – State Owned Multicategorical Teaching Hospital			
3963 Transfer to GR Account – State Owned Multicategorical Teaching Hospital			
5049 and Unappropriated GR 0001 from GR Account – Lottery 5025 (Other)	439	439	439
Total Estimated Account 5049 Receipts	439	439	439
Account: 5050 GR Account – 9-1-1 Service Fees			
3647 9-1-1 Emergency Service Fees	6,025	6,025	5,619
3981 Transfers to 9-1-1 Service Fee 5050 from 0875	26,486	26,486	26,830
Total Estimated Account 5050 Receipts	32,511	32,511	32,449
Account: 5064 GR Account – Volunteer Fire Department Assistance			
3208 Insurance Assessment for Volunteer Fire Departments	22,563	21,613	21,613
3782 Repayments from Political Subdivisions/Other of Loans/Advances	57	36	27
3854 Interest Other – General, Non-Program	6	3	2
Total Estimated Account 5064 Receipts	22,626	21,652	21,642
Account: 5065 GR Account – Environmental Trust Lab Accreditation			
3557 Health Care Facilities Fees	831	831	831
Total Estimated Account 5065 Receipts	831	831	831
Account: 5071 GR Account – Emissions Reduction Plan			
3004 Motor Vehicle Sales and Use Tax	16,212	0	0
3014 Motor Vehicle Registration Fees	11,689	0	0
3016 Motor Vehicle Sales and Use Tax – Seller Financed Motor Vehicles	31	0	0
3020 Motor Vehicle Inspection Fees	5,912	0	0
3102 Limited Sales and Use Tax	67,646	0	0
Total Estimated Account 5071 Receipts	101,490	0	0

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 5073 GR Account – Fair Defense			
3195 Additional Legal Services Fee	\$ 2,000	\$ 2,000	\$ 2,000
3704 Court Costs	33,169	35,530	33,959
3858 Bail Bond Surety Fees	1,850	1,850	1,850
Total Estimated Account 5073 Receipts	37,019	39,380	37,809
Account: 5080 GR Account – Quality Assurance			
3557 Health Care Facilities Fees	60,000	60,000	60,000
3770 Administrative Penalties	57	57	57
Total Estimated Account 5080 Receipts	60,057	60,057	60,057
Account: 5083 GR Account – Correctional Management Institute and Criminal Justice Center			
3704 Court Costs	1,612	1,693	1,618
Total Estimated Account 5083 Receipts	1,612	1,693	1,618
Account: 5085 GR Account – Child Abuse Neglect and Prevention Trust			
3707 Marriage License Fees	3,500	3,364	3,232
Total Estimated Account 5085 Receipts	3,500	3,364	3,232
Account: 5093 GR Account – Dry Cleaner Facility Release			
3175 Professional Fees	2,705	0	0
3390 Purchase of Dry Cleaning Solvent Fees	452	0	0
3770 Administrative Penalties	4	0	0
Total Estimated Account 5093 Receipts	3,161	0	0
Account: 5094 GR Account – Operating Permit Fees			
3375 Air Pollution Control Fees	39,425	39,757	40,093
Total Estimated Account 5094 Receipts	39,425	39,757	40,093
Account: 5095 GR Account – Election Improvement			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	90	50	25
Total Estimated Account 5095 Receipts	90	50	25
Account: 5096 GR Account – Perpetual Care			
3589 Radioactive Materials and Devices for Equipment Regulation	424	424	424
Total Estimated Account 5096 Receipts	424	424	424
Account: 5101 GR Account – Subsequent Injury			
3869 Workers' Compensation Insurance – Death Benefits to the State	11,398	11,398	11,398
Total Estimated Account 5101 Receipts	11,398	11,398	11,398
Account: 5105 GR Account – Public Assurance			
3572 Health Related Professional Fees, Doctor Surcharge	3,599	3,646	3,693
Total Estimated Account 5105 Receipts	3,599	3,646	3,693
Account: 5106 GR Account – Economic Development Bank			
3727 Fees for Administrative Services	150	150	150
3782 Repayments from Political Subdivisions/Other of Loans/Advances	864	882	567
3852 Interest on Local Deposits – State Agencies	1	1	1
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	113	89	65
Total Estimated Account 5106 Receipts	1,128	1,122	783

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 5107 GR Account – Texas Enterprise			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	\$ 1,081	\$ 996	\$ 911
Total Estimated Account 5107 Receipts	1,081	996	911
Account: 5108 GR Account – EMS, Trauma Facilities, Trauma Care Systems			
3704 Court Costs	688	661	661
3710 Court Fines	1,523	1,462	1,462
Total Estimated Account 5108 Receipts	2,211	2,123	2,123
Account: 5109 GR Account – Medicaid Recovery 42 U.S.C. § 1396p			
3595 Medical Assistance Cost Recovery	2,300	2,300	2,300
Total Estimated Account 5109 Receipts	2,300	2,300	2,300
Account: 5111 GR Account – Designated Trauma Facility and EMS			
3206 Insurance Company Fees	60,619	61,772	62,637
3710 Court Fines	41,281	41,281	41,281
3717 Civil Penalties	6,000	2,512	0
Total Estimated Account 5111 Receipts	107,900	105,565	103,918
Account: 5114 GR Account – Texas Military Value Revolving Loan			
3782 Repayments from Political Subdivisions/Other of Loans/Advances	1,396	1,450	1,505
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	743	686	627
Total Estimated Account 5114 Receipts	2,139	2,136	2,132
Account: 5125 GR Account – Childhood Immunization			
3579 Vital Statistics Certification and Service Fees	68	68	68
Total Estimated Account 5125 Receipts	68	68	68
Account: 5128 GR Account – Employment and Training Investment Holding			
3728 Unemployment Assessments	112,988	112,988	112,988
Total Estimated Account 5128 Receipts	112,988	112,988	112,988
Account: 5139 GR Account – Historic Site			
3340 Land Easements	10	10	10
3344 Sand, Shell, Gravel, Timber Sales	12	12	12
3461 State Park Fees	520	567	567
3727 Fees for Administrative Services	49	49	49
3755 Commemorative Sales/Gift Shop and Museum Revenues	234	234	234
3924 Allocations to GRD Account 5139 from Fund 0001 (Sporting Goods Sales Tax)	0	13,783	14,553
Total Estimated Account 5139 Receipts	825	14,655	15,425
Account: 5152 GR Account – Alamo Complex			
3748 Royalties	0	2	2
3755 Commemorative Sales/Gift Shop and Museum Revenues	1,030	4,120	4,120
3770 Administrative Penalties	2	7	7
3833 Cash Receipt – Capital Contributions/Capital Grants and Contributions – Other Grant Revenue	6	24	24
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	24	24	24
Total Estimated Account 5152 Receipts	1,062	4,177	4,177

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (continued)			
0001 General Revenue Fund (continued)			
Account: 5153 GR Account – Emergency Radio Infrastructure			
3704 Court Costs	\$ 6,942	\$ 7,333	\$ 7,009
Total Estimated Account 5153 Receipts	6,942	7,333	7,009
Account: 5155 GR Account – Oil and Gas Regulation and Cleanup			
3310 Oil and Gas Regulation and Cleanup Fee Surcharge	16,164	18,028	19,197
3313 Oil and Gas Well Drilling Permit	4,034	5,057	5,682
3314 Oil and Gas Violations	11,968	11,968	11,968
3338 Organization Report Fees	3,750	3,750	3,750
3339 Railroad Commission Voluntary Cleanup Application Fees	10	10	10
3369 Reimbursement for Well Plugging Costs	1,475	1,475	1,475
3373 Injection Well Regulation	51	57	60
3381 Oil Field Cleanup Regulatory Fee on Oil	8,998	9,038	9,158
3382 Railroad Commission Rule Exceptions	1,262	1,352	1,449
3383 Oil Field Cleanup Regulatory Fee on Gas	5,911	6,384	6,617
3384 Oil and Gas Compliance Certification Reissue Fee	433	557	612
3393 Abandoned Well Site Equipment Disposal	997	1,084	1,168
3553 Pipeline Safety Inspection Fees	11,050	11,050	11,050
3592 Waste Disposal Facilities, Generators, Transporters	190	190	190
3727 Fees for Administrative Services	1,046	1,046	1,046
Total Estimated Account 5155 Receipts	67,339	71,046	73,432
Account: 5157 GR Account – Statewide Electronic Filing System			
3704 Court Costs	1,419	1,090	1,041
3711 Judicial Fees	23,755	24,279	24,814
Total Estimated Account 5157 Receipts	25,174	25,369	25,855
Account: 5158 GR Account – Environmental Radiation and Perpetual Care			
3589 Radioactive Materials and Devices for Equipment Regulation	45	45	45
3590 Low-Level Radioactive Waste Disposal Fees	1,500	1,550	1,550
Total Estimated Account 5158 Receipts	1,545	1,595	1,595
Account: 5161 GR Account – Governor's University Research Initiative			
3782 Repayments from Political Subdivisions/Other of Loans/Advances	880	907	934
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	827	801	773
Total Estimated Account 5161 Receipts	1,707	1,708	1,707
Account: 5164 GR Account – Truancy Prevention and Diversion			
3704 Court Costs	4,935	5,156	4,928
Total Estimated Account 5164 Receipts	4,935	5,156	4,928
Account: 5168 GR Account – Cancer Prevention and Research Interest and Sinking			
3748 Royalties	350	350	350
Total Estimated Account 5168 Receipts	350	350	350
Account: 5173 GR Account – Texas Forensic Science Commission			
3562 Health Related Professional Fees	157	45	157
Total Estimated Account 5173 Receipts	157	45	157
Account: 5178 GR Account – State Hemp Program			
3400 Business Fees – Agriculture	712	712	712
Total Estimated Account 5178 Receipts	712	712	712

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: GENERAL REVENUE DEDICATED (concluded)			
0001 General Revenue Fund (concluded)			
Account: 5184 GR Account – Specialty Court			
3704 Court Costs	\$ 1,806	\$ 2,061	\$ 1,970
Total Estimated Account 5184 Receipts	1,806	2,061	1,970
Account: 5185 GR Account – DNA Testing			
3704 Court Costs	243	277	265
Total Estimated Account 5185 Receipts	243	277	265
Account: 5186 GR Account – Transportation Administrative Fee			
3704 Court Costs	7,549	8,614	8,233
Total Estimated Account 5186 Receipts	7,549	8,614	8,233
Total Estimated Fund 0001 Receipts	3,065,997	3,169,365	3,184,387
Total Estimated General Revenue Dedicated	\$ 3,065,997	\$ 3,169,365	\$ 3,184,387
SOURCE: FEDERAL FUNDS			
0001 General Revenue Fund			
Account: 0001 General Revenue Fund			
3500 Federal Receipts, Matched – Education Programs	398	120	0
3501 Federal Receipts, Not Matched – Education Programs	43	0	0
3550 Federal Receipts, Matched – Health Programs	1,217	1,217	1,217
3551 Federal Receipts, Not Matched – Health Programs	672,870	672,870	672,870
3600 Federal Receipts, Matched – Medicaid, TANF, Other Health Programs	30,386,328	31,516,942	28,756,000
3601 Federal Receipts, Not Matched – Medicaid Standards/Mental Health	85,287	85,287	85,287
3700 Federal Receipts, Matched – Other Programs	552,695	547,459	547,257
3701 Federal Receipts, Not Matched – Other Programs	1,932,663	2,835,595	2,755,836
Total Estimated Account 0001 Receipts	33,631,501	35,659,490	32,818,467
Account: 0009 GR Account – Game, Fish, and Water Safety			
3430 Federal Receipts, Matched – Parks and Wildlife	55,697	55,697	55,697
3431 Federal Receipts, Not Matched – Parks and Wildlife	2,322	2,322	2,322
Total Estimated Account 0009 Receipts	58,019	58,019	58,019
Account: 0027 GR Account – Coastal Protection			
3700 Federal Receipts, Matched – Other Programs	2,531	2,531	2,531
3701 Federal Receipts, Not Matched – Other Programs	524	524	524
Total Estimated Account 0027 Receipts	3,055	3,055	3,055
Account: 0036 GR Account – Texas Department of Insurance Operating			
3700 Federal Receipts, Matched – Other Programs	2,784	2,820	2,820
Total Estimated Account 0036 Receipts	2,784	2,820	2,820
Account: 0037 GR Account – Federal Child Welfare Service			
3600 Federal Receipts, Matched – Medicaid, TANF, Other Health Programs	477,072	479,988	477,654
3601 Federal Receipts, Not Matched – Medicaid Standards/Mental Health	31,385	32,812	40,771
3621 Child Support Collections – Federal	704	669	635
Total Estimated Account 0037 Receipts	509,161	513,469	519,060
Account: 0064 GR Account – State Parks			
3430 Federal Receipts, Matched – Parks and Wildlife	129	129	129
Total Estimated Account 0064 Receipts	129	129	129

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: FEDERAL FUNDS (continued)			
0001 General Revenue Fund (continued)			
Account: 0092 GR Account – Federal Disaster			
3701 Federal Receipts, Not Matched – Other Programs	\$ 202,788	\$ 172,645	\$ 156,103
Total Estimated Account 0092 Receipts	202,788	172,645	156,103
Account: 0118 GR Account – Federal Public Library Service			
3700 Federal Receipts, Matched – Other Programs	11,834	11,834	11,834
Total Estimated Account 0118 Receipts	11,834	11,834	11,834
Account: 0127 GR Account – Community Affairs Federal			
3701 Federal Receipts, Not Matched – Other Programs	280,153	280,726	282,887
Total Estimated Account 0127 Receipts	280,153	280,726	282,887
Account: 0148 GR Account – Federal Health, Education and Welfare			
3501 Federal Receipts, Not Matched – Education Programs	3,364,884	3,341,116	3,341,116
Total Estimated Account 0148 Receipts	3,364,884	3,341,116	3,341,116
Account: 0151 GR Account – Clean Air			
3700 Federal Receipts, Matched – Other Programs	6,750	6,750	6,750
3701 Federal Receipts, Not Matched – Other Programs	3,500	3,500	3,500
Total Estimated Account 0151 Receipts	10,250	10,250	10,250
Account: 0153 GR Account – Water Resource Management			
3700 Federal Receipts, Matched – Other Programs	13,500	13,500	13,500
3701 Federal Receipts, Not Matched – Other Programs	5,500	5,500	5,500
Total Estimated Account 0153 Receipts	19,000	19,000	19,000
Account: 0171 GR Account – Federal School Lunch			
3501 Federal Receipts, Not Matched – Education Programs	2,246,334	1,979,337	1,979,337
Total Estimated Account 0171 Receipts	2,246,334	1,979,337	1,979,337
Account: 0221 GR Account – Federal Civil Defense and Disaster Relief			
3701 Federal Receipts, Not Matched – Other Programs	281	0	0
Total Estimated Account 0221 Receipts	281	0	0
Account: 0222 GR Account – Department of Public Safety Federal			
3701 Federal Receipts, Not Matched – Other Programs	1,900	1,850	1,850
Total Estimated Account 0222 Receipts	1,900	1,850	1,850
Account: 0224 GR Account – Governor's Office Federal Projects			
3701 Federal Receipts, Not Matched – Other Programs	108,383	115,591	123,278
Total Estimated Account 0224 Receipts	108,383	115,591	123,278
Account: 0273 GR Account – Federal Health and Health Lab Funding Excess Revenue			
3550 Federal Receipts, Matched – Health Programs	160,900	160,900	160,900
3551 Federal Receipts, Not Matched – Health Programs	140,377	140,377	140,377
Total Estimated Account 0273 Receipts	301,277	301,277	301,277
Account: 0421 GR Account – Criminal Justice Planning			
3700 Federal Receipts, Matched – Other Programs	12,338	12,198	12,059
3701 Federal Receipts, Not Matched – Other Programs	206,480	206,480	206,480
Total Estimated Account 0421 Receipts	218,818	218,678	218,539

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: FEDERAL FUNDS (continued)			
0001 General Revenue Fund (continued)			
Account: 0449 GR Account – Texas Military Federal			
3700 Federal Receipts, Matched – Other Programs	\$ 66,794	\$ 68,797	\$ 67,864
Total Estimated Account 0449 Receipts	66,794	68,797	67,864
Account: 0467 GR Account – Texas Recreation and Parks			
3430 Federal Receipts, Matched – Parks and Wildlife	5,332	5,332	5,332
Total Estimated Account 0467 Receipts	5,332	5,332	5,332
Account: 0469 GR Account – Compensation to Victims of Crime			
3700 Federal Receipts, Matched – Other Programs	31,853	20,511	21,249
Total Estimated Account 0469 Receipts	31,853	20,511	21,249
Account: 0549 GR Account – Waste Management			
3700 Federal Receipts, Matched – Other Programs	6,000	6,000	6,000
3701 Federal Receipts, Not Matched – Other Programs	750	750	750
Total Estimated Account 0549 Receipts	6,750	6,750	6,750
Account: 0550 GR Account – Hazardous and Solid Waste Remediation Fees			
3700 Federal Receipts, Matched – Other Programs	225	225	225
3701 Federal Receipts, Not Matched – Other Programs	425	425	425
Total Estimated Account 0550 Receipts	650	650	650
Account: 0655 GR Account – Petroleum Storage Tank Remediation			
3700 Federal Receipts, Matched – Other Programs	4,000	4,000	4,000
Total Estimated Account 0655 Receipts	4,000	4,000	4,000
Account: 5006 GR Account – Attorney General Law Enforcement			
3700 Federal Receipts, Matched – Other Programs	523	523	523
Total Estimated Account 5006 Receipts	523	523	523
Account: 5007 GR Account – Commission on State Emergency Communications			
3701 Federal Receipts, Not Matched – Other Programs	4,755	3,380	0
Total Estimated Account 5007 Receipts	4,755	3,380	0
Account: 5026 GR Account – Workforce Commission Federal			
3550 Federal Receipts, Matched – Health Programs	272,835	260,123	264,951
3551 Federal Receipts, Not Matched – Health Programs	18,297	18,114	18,114
3700 Federal Receipts, Matched – Other Programs	241,790	238,069	238,001
3701 Federal Receipts, Not Matched – Other Programs	1,209,073	1,157,468	1,146,761
Total Estimated Account 5026 Receipts	1,741,995	1,673,774	1,667,827
Account: 5041 GR Account – Railroad Commission Federal			
3700 Federal Receipts, Matched – Other Programs	1,400	1,460	1,460
3701 Federal Receipts, Not Matched – Other Programs	1,640	1,640	1,640
Total Estimated Account 5041 Receipts	3,040	3,100	3,100
Account: 5091 GR Account – Office of Rural Community Affairs Federal			
3700 Federal Receipts, Matched – Other Programs	1,076	1,076	1,076
3701 Federal Receipts, Not Matched – Other Programs	67,090	66,701	66,701
Total Estimated Account 5091 Receipts	68,166	67,777	67,777

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: FEDERAL FUNDS (concluded)			
0001 General Revenue Fund (concluded)			
Account: 5155 GR Account – Oil and Gas Regulation and Cleanup			
3700 Federal Receipts, Matched – Other Programs	\$ 5,700	\$ 5,700	\$ 5,700
3701 Federal Receipts, Not Matched – Other Programs	120	120	120
Total Estimated Account 5155 Receipts	5,820	5,820	5,820
Total Estimated Fund 0001 Receipts	\$ 42,910,229	\$ 44,549,700	\$ 41,697,913
0006 State Highway Fund			
3001 Federal Receipts, Matched – Transportation Programs	5,853,758	4,329,196	3,963,289
Total Estimated Fund 0006 Receipts	5,853,758	4,329,196	3,963,289
0008 State Highway Debt Service Fund			
3001 Federal Receipts, Matched – Transportation Programs	36,629	36,372	36,014
Total Estimated Fund 0008 Receipts	36,629	36,372	36,014
0010 Texas Department of Motor Vehicles Fund			
3001 Federal Receipts, Matched – Transportation Programs	744	744	744
Total Estimated Fund 0010 Receipts	744	744	744
0325 Coronavirus Relief Fund			
3001 Federal Receipts, Matched – Transportation Programs	1,004,700	0	0
3501 Federal Receipts, Not Matched – Education Programs	5,256,050	1,827,396	0
3551 Federal Receipts, Not Matched – Health Programs	1,796,205	495,296	30,157
3600 Federal Receipts, Matched – Medicaid, TANF, Other Health Programs	2,373,519	0	0
3601 Federal Receipts, Not Matched – Medicaid Standards/Mental Health	3,518	1,173	0
3700 Federal Receipts, Matched – Other Programs	1,634,380	1,818	0
3701 Federal Receipts, Not Matched – Other Programs	3,105,771	541,493	466,949
3831 Federal Receipts – Proprietary Funds – Operating	2,583,242	0	0
Total Estimated Fund 0325 Receipts	17,757,385	2,867,176	497,106
0365 Texas Mobility Fund			
3001 Federal Receipts, Matched – Transportation Programs	21,945	21,955	21,918
Total Estimated Fund 0365 Receipts	21,945	21,955	21,918
0368 Fund for Veterans' Assistance			
3701 Federal Receipts, Not Matched – Other Programs	30	30	30
Total Estimated Fund 0368 Receipts	30	30	30
0369 Federal American Recovery and Reinvestment Fund			
3701 Federal Receipts, Not Matched – Other Programs	6,141	6,203	6,265
Total Estimated Fund 0369 Receipts	6,141	6,203	6,265
0374 Veterans Financial Assistance Program Fund			
3700 Federal Receipts, Matched – Other Programs	5,566	5,566	5,566
3701 Federal Receipts, Not Matched – Other Programs	3,215	3,215	3,215
3831 Federal Receipts – Proprietary Funds – Operating	62,744	62,744	62,744
Total Estimated Fund 0374 Receipts	71,525	71,525	71,525
Total Estimated Federal Funds	\$ 66,658,386	\$ 51,882,901	\$ 46,294,804

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: APPROPRIATED RECEIPTS			
0001 General Revenue Fund			
Account: 0001 General Revenue Fund			
3015 Motor Fuel Mixture Testing Fee	\$ 1,625	\$ 1,625	\$ 1,625
3158 Manufactured Housing Training Fees	128	128	128
3159 Manufactured Housing Statement of Ownership	3,500	3,500	3,500
3180 Health Regulation Fees	4,081	4,092	4,092
3509 Private Educational Institution Fees	1,618	1,618	1,618
3517 Repayment of College Student Loans	3,476	3,298	3,136
3540 Tax Discount Donation – Student Financial Assistance Grants	3	3	3
3552 Vendor Drug Rebates, HIV Program	20,180	20,180	20,180
3591 Transfers from State Hospitals/Agencies for Medicaid Match (UC, UPL, and DSRIP)	67,401	88,284	5,086
3603 Reimbursement for Telecommunications Assistance, Distance Learning and Other Advanced Services	1,551	1,551	1,551
3606 Support and Maintenance of Patients	27,454	27,454	27,454
3718 Court Costs/Attorney/OAG Authorized Collection Fees	20,500	23,000	23,000
3719 Fees for Copies or Filing of Records	32,103	37,406	37,406
3722 Conference, Seminars, and Training Registration Fees	5,482	5,922	5,922
3738 Grants – Cities/Counties	3,000	3,000	3,000
3739 Grants – Other Political Subdivisions	70	70	70
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	6,600	6,600	6,600
3747 Rental – Other	925	997	1,033
3750 Sale of Furniture and Equipment	1,371	1,371	1,371
3752 Sale of Publications/Advertising	9,269	9,314	9,369
3754 Other Surplus or Salvage Property/Materials Sales	10,300	10,300	10,300
3759 Telecommunications Service from Local Funds	20,500	21,000	21,000
3766 Supplies/Equipment/Services – Local Funds	4,700	4,700	4,700
3767 Supplies/Equipment/Services – Federal/Other	7,797	7,797	7,797
3769 Forfeitures	353	353	353
3773 Insurance Recovery In Subsequent Years	16,000	16,000	16,000
3802 Reimbursements – Third Party	312,162	312,749	313,560
3803 Reimbursements – Intra-Agency	83	103	103
3805 Subrogation Recoveries	585	585	585
3806 Rental of Housing to State Employees	2,176	2,192	2,192
3879 Credit Card and Electronic Services Related Fees	47,760	50,960	52,347
Total Estimated Account 0001 Receipts	632,753	666,152	585,081
Account: 0009 GR Account – Game, Fish, and Water Safety			
3719 Fees for Copies or Filing of Records	4	4	4
3722 Conference, Seminars, and Training Registration Fees	38	38	38
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	922	922	922
3747 Rental – Other	5	5	5
3750 Sale of Furniture and Equipment	26	26	26
3754 Other Surplus or Salvage Property/Materials Sales	68	68	68
3766 Supplies/Equipment/Services – Local Funds	10	10	10
3767 Supplies/Equipment/Services – Federal/Other	111	111	111
3802 Reimbursements – Third Party	1,866	1,866	1,866
3806 Rental of Housing to State Employees	70	70	70
3879 Credit Card and Electronic Services Related Fees	809	809	809
Total Estimated Account 0009 Receipts	3,929	3,929	3,929

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: APPROPRIATED RECEIPTS (continued)			
0001 General Revenue Fund (continued)			
Account: 0019 GR Account – Vital Statistics			
3802 Reimbursements – Third Party	\$ 7,851	\$ 7,851	\$ 7,851
3879 Credit Card and Electronic Services Related Fees	4,550	4,550	4,550
Total Estimated Account 0019 Receipts	12,401	12,401	12,401
Account: 0027 GR Account – Coastal Protection			
3802 Reimbursements – Third Party	227	227	227
Total Estimated Account 0027 Receipts	227	227	227
Account: 0036 GR Account – Texas Department of Insurance Operating			
3719 Fees for Copies or Filing of Records	52	71	71
3802 Reimbursements – Third Party	2,873	3,001	3,082
Total Estimated Account 0036 Receipts	2,925	3,072	3,153
Account: 0064 GR Account – State Parks			
3722 Conference, Seminars, and Training Registration Fees	40	59	59
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	1,147	1,147	1,147
3767 Supplies/Equipment/Services – Federal/Other	20	20	20
3802 Reimbursements – Third Party	9,566	387	387
3806 Rental of Housing to State Employees	299	299	299
3879 Credit Card and Electronic Services Related Fees	1,537	1,537	1,537
Total Estimated Account 0064 Receipts	12,609	3,449	3,449
Account: 0116 GR Account – Texas Commission on Law Enforcement			
3719 Fees for Copies or Filing of Records	250	250	250
3722 Conference, Seminars, and Training Registration Fees	0	195	200
3802 Reimbursements – Third Party	270	160	160
3879 Credit Card and Electronic Services Related Fees	4	5	5
Total Estimated Account 0116 Receipts	524	610	615
Account: 0127 GR Account – Community Affairs Federal			
3767 Supplies/Equipment/Services – Federal/Other	670	690	711
3802 Reimbursements – Third Party	150	150	150
Total Estimated Account 0127 Receipts	820	840	861
Account: 0193 GR Account – Foundation School			
3680 Recapture Receipts	2,814,010	2,796,200	3,031,800
Total Estimated Account 0193 Receipts	2,814,010	2,796,200	3,031,800
Account: 0225 GR Account – University of Houston Current			
3754 Other Surplus or Salvage Property/Materials Sales	10	10	10
Total Estimated Account 0225 Receipts	10	10	10
Account: 0264 GR Account – Midwestern State University Current			
3747 Rental – Other	1	1	1
Total Estimated Account 0264 Receipts	1	1	1
Account: 0334 GR Account – Commission of Arts Operating			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	152	152	152
Total Estimated Account 0334 Receipts	152	152	152

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: APPROPRIATED RECEIPTS (continued)			
0001 General Revenue Fund (continued)			
Account: 0449 GR Account – Texas Military Federal			
3739 Grants – Other Political Subdivisions	\$ 10	\$ 10	\$ 10
3802 Reimbursements – Third Party	12	12	12
Total Estimated Account 0449 Receipts	22	22	22
Account: 0469 GR Account – Compensation to Victims of Crime			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	171	171	171
3802 Reimbursements – Third Party	15	15	15
3805 Subrogation Recoveries	516	516	516
Total Estimated Account 0469 Receipts	702	702	702
Account: 0472 GR Account – Inaugural			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	0	0	12
Total Estimated Account 0472 Receipts	0	0	12
Account: 0492 GR Account – Business Enterprise Program			
3747 Rental – Other	783	633	482
3802 Reimbursements – Third Party	27	27	27
Total Estimated Account 0492 Receipts	810	660	509
Account: 0506 GR Account – Non-Game and Endangered Species Conservation			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	3	3	3
Total Estimated Account 0506 Receipts	3	3	3
Account: 0524 GR Account – Public Health Services Fee			
3879 Credit Card and Electronic Services Related Fees	6	6	6
Total Estimated Account 0524 Receipts	6	6	6
Account: 0540 GR Account – Judicial and Court Personal Training Fund			
3719 Fees for Copies or Filing of Records	1	1	1
Total Estimated Account 0540 Receipts	1	1	1
Account: 0544 GR Account – Lifetime License Endowment			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	1	1	1
Total Estimated Account 0544 Receipts	1	1	1
Account: 0550 GR Account – Hazardous and Solid Waste Remediation Fees			
3802 Reimbursements – Third Party	500	500	500
Total Estimated Account 0550 Receipts	500	500	500
Account: 0570 GR Account – Federal Surplus Property Service Charge			
3754 Other Surplus or Salvage Property/Materials Sales	276	276	276
3802 Reimbursements – Third Party	607	607	607
Total Estimated Account 0570 Receipts	883	883	883
Account: 0597 GR Account – Texas Racing Commission			
3802 Reimbursements – Third Party	12	12	12
Total Estimated Account 0597 Receipts	12	12	12

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: APPROPRIATED RECEIPTS (continued)			
0001 General Revenue Fund (continued)			
Account: 0679 GR Account – Artificial Reef			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue –			
Operating Grants and Contributions	\$ 800	\$ 800	\$ 800
Total Estimated Account 0679 Receipts	800	800	800
Account: 5018 GR Account – Home Health Services			
3879 Credit Card and Electronic Services Related Fees	87	87	87
Total Estimated Account 5018 Receipts	87	87	87
Account: 5025 GR Account – Lottery			
3719 Fees for Copies or Filing of Records	5	5	5
3802 Reimbursements – Third Party	481	481	481
Total Estimated Account 5025 Receipts	486	486	486
Account: 5026 GR Account – Workforce Commission Federal			
3719 Fees for Copies or Filing of Records	175	165	155
3747 Rental – Other	42	42	42
3752 Sale of Publications/Advertising	90	90	90
3767 Supplies/Equipment/Services – Federal/Other	500	500	500
Total Estimated Account 5026 Receipts	807	797	787
Account: 5059 GR Account – Peace Officer Flag			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue –			
Operating Grants and Contributions	7	5	7
Total Estimated Account 5059 Receipts	7	5	7
Account: 5093 GR Account – Dry Cleaner Facility Release			
3802 Reimbursements – Third Party	3	0	0
Total Estimated Account 5093 Receipts	3	0	0
Account: 5107 GR Account – Texas Enterprise			
3769 Forfeitures	1,100	1,100	1,100
Total Estimated Account 5107 Receipts	1,100	1,100	1,100
Account: 5136 GR Account – Cancer Prevention and Research			
3802 Reimbursements – Third Party	40	40	40
Total Estimated Account 5136 Receipts	40	40	40
Account: 5139 GR Account – Historic Site			
3806 Rental of Housing to State Employees	20	20	20
Total Estimated Account 5139 Receipts	20	20	20
Account: 5152 GR Account – Alamo Complex			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue –			
Operating Grants and Contributions	60	239	239
3747 Rental – Other	428	1,713	1,713
3802 Reimbursements – Third Party	24	95	95
Total Estimated Account 5152 Receipts	512	2,047	2,047
Account: 5155 GR Account – Oil and Gas Regulation and Cleanup			
3802 Reimbursements – Third Party	5	5	5
3879 Credit Card and Electronic Services Related Fees	450	450	450
Total Estimated Account 5155 Receipts	455	455	455

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: APPROPRIATED RECEIPTS (concluded)			
0001 General Revenue Fund (concluded)			
Account: 5170 GR Account – Evidence Testing			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	\$ 800	\$ 800	\$ 800
Total Estimated Account 5170 Receipts	800	800	800
Account: 5173 GR Account – Texas Forensic Science Commission			
3879 Credit Card and Electronic Services Related Fees	2	0	2
Total Estimated Account 5173 Receipts	2	0	2
Account: 5177 GR Account – Identification Fee Exemption			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	1,200	1,200	1,200
Total Estimated Account 5177 Receipts	1,200	1,200	1,200
Account: 5178 GR Account – State Hemp Program			
3879 Credit Card and Electronic Services Related Fees	12	12	12
Total Estimated Account 5178 Receipts	12	12	12
Total Estimated Fund 0001 Receipts	3,489,632	3,497,682	3,652,173
Total Estimated Appropriated Receipts	\$ 3,489,632	\$ 3,497,682	\$ 3,652,173
SOURCE: OTHER FUNDS			
0001 General Revenue Fund			
Account: 0001 General Revenue Fund			
3564 Disproportionate Share Revenues/State Hospitals	322,455	322,455	322,455
3565 Vendor Drug Rebates, Medicaid Program – Supplemental	65,549	73,878	77,323
3568 Disproportionate Share Revenues/Non-State Hospitals	588,732	605,057	615,998
3569 Receipt of Federal/State Disproportionate Share and Upper Payment Limit Program by State Hospitals	296,369	297,086	296,049
3588 Transfers from Urban and Rural Hospitals for Medicaid Match (UC, UPL, STAR+PLUS, and DSRIP)	3,613,533	3,979,206	1,775,557
3597 WIC (Women, Infants, and Children Program) Rebates	205,040	205,040	205,040
3638 Vendor Drug Rebates, Medicaid Program – Mandated	1,075,759	1,211,298	1,267,761
3639 Premium Credits – Medicaid Program	12,428	12,908	12,891
3649 Vendor Drug and HMO Experience Rebates, CHIP Program	11,919	14,752	17,898
3950 Allocations to Fund 0001/Other Funds from Special Funds – UB	(12,705)	(20,292)	(20,292)
3952 Transfer to Unappropriated GR 0001 from Disproportionate Share Funds	(199,310)	(198,149)	(198,149)
3953 Unappropriated GR 0001 Reimbursement for Statewide Cost Allocation Plan (SWCAP)	(12,012)	(12,012)	(12,012)
Total Estimated Account 0001 Receipts	5,967,757	6,491,227	4,360,519
Account: 5025 GR Account – Lottery			
3177 Lottery Ticket Sales	275,073	487,863	480,396
3963 Transfer to GR Account – State Owned Multicategorical Teaching Hospital 5049 and Unappropriated GR 0001 from GR Account – Lottery 5025 (Other)	(86,476)	(82,355)	(82,355)
Total Estimated Account 5025 Receipts	188,597	405,508	398,041
Total Estimated Fund 0001 Receipts	\$ 6,156,354	\$ 6,896,735	\$ 4,758,560
0006 State Highway Fund			
3010 Motor Fuel Lubricants Sales Tax	37,000	37,500	38,000
3012 Motor Vehicle Certificates	8,097	8,258	8,423
3014 Motor Vehicle Registration Fees	1,644,027	1,685,128	1,727,256

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0006 State Highway Fund (concluded)			
3018 Special Vehicle Permits	\$ 122,729	\$ 125,119	\$ 127,557
3046 State Highway Toll Project Revenue	48,031	48,031	48,031
3047 Concession Payments/Other Contractual Receipts from Comprehensive Development Agreements	5,608	5,900	6,188
3049 Upfront Payments – Service Concession Arrangements	75	0	0
3052 Highway Beautification Fees	1,119	1,130	1,141
3053 Logo, Major Shopping and Tourist-Oriented Signs	11,398	11,512	11,627
3315 Oil and Gas Lease Bonus	817	825	833
3321 Oil Royalties from Other State Lands for State Departments, Boards, Agencies	10,585	10,691	10,798
3326 Gas Royalties from Other State Lands for State Departments, Boards, Agencies	3,000	3,031	3,060
3331 Wind/Other Surface Lease Income from School Land	5	5	5
3349 Land Sales	9,373	9,467	9,562
3704 Court Costs	152	154	156
3714 Judgments and Settlements	28,077	28,358	28,641
3719 Fees for Copies or Filing of Records	1	1	1
3727 Fees for Administrative Services	3	0	0
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	100	100	100
3746 Rental of Lands/Miscellaneous Land Income	5,421	5,475	5,530
3752 Sale of Publications/Advertising	4,636	4,683	4,729
3754 Other Surplus or Salvage Property/Materials Sales	(687)	0	0
3767 Supplies/Equipment/Services – Federal/Other	20,271	20,474	20,679
3777 Warrants Voided by Statute of Limitation – Default Fund	192	194	196
3782 Repayments from Political Subdivisions/Other of Loans/Advances	88,962	23,022	22,172
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	19,905	13,013	12,411
3854 Interest Other – General, Non-Program	7,386	6,344	5,807
3879 Credit Card and Electronic Services Related Fees	7	7	7
3901 Allocations to GR 0001 (Unapp Undyed Diesel), Fund 0002, Fund 0006 and Fund 0057 from Fund 0001 (Motor Fuels Tax)	2,586,246	2,625,914	2,675,686
3925 Allocations to Fund 0006 from Fund 0001 (Sales and Use Tax)	2,500,000	2,500,000	2,500,000
3928 Allocations to Fund 0006 from Fund 0001 (Motor Vehicle Tax)	0	9,745	51,541
Total Estimated Fund 0006 Receipts	7,162,536	7,184,081	7,320,137
0008 State Highway Debt Service Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1,465	1,465	1,465
Total Estimated Fund 0008 Receipts	1,465	1,465	1,465
0010 Texas Department of Motor Vehicles Fund			
3012 Motor Vehicle Certificates	40,713	41,934	42,563
3014 Motor Vehicle Registration Fees	34,223	35,080	35,959
3018 Special Vehicle Permits	13,340	16,008	16,488
3022 Assigned Vehicle Identification Number Fees	4	4	4
3035 Commercial Transportation Fees	7,686	7,994	8,154
3036 Motor Vehicle Complaints/Protests	21	22	22
3050 Abandoned Motor Vehicles	14	14	14
3081 Equipment Lease to County Automated Registration and Titling System	245	245	245
3717 Civil Penalties	1,296	1,347	1,374
3719 Fees for Copies or Filing of Records	3	3	3
3727 Fees for Administrative Services	57,347	56,630	57,766
3775 Returned Check Fees	20	21	21
3777 Warrants Voided by Statute of Limitation – Default Fund	5	0	0

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0010 Texas Department of Motor Vehicles Fund (concluded)			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	\$ 628	\$ 590	\$ 672
3879 Credit Card and Electronic Services Related Fees	4,433	4,611	4,703
Total Estimated Fund 0010 Receipts	159,978	164,503	167,988
0011 Available University Fund			
3301 Land Office Fees	225	225	225
3315 Oil and Gas Lease Bonus	155	155	155
3328 Surface Damages	3,670	3,303	3,663
3337 Brine and Water Receipts	13,743	12,369	13,606
3340 Land Easements	31,218	28,097	30,906
3341 Grazing Lease Rental	5,000	5,000	5,000
3344 Sand, Shell, Gravel, Timber Sales	1,126	1,013	1,114
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	4,590	4,590	4,590
3854 Interest Other – General, Non-Program	1,300	1,300	1,300
3855 Interest on Investments, Obligations and Securities – General, Non-Program	1,112,265	1,163,985	1,218,110
Total Estimated Fund 0011 Receipts	1,173,292	1,220,037	1,278,669
0044 Permanent School Fund			
3302 Land Office Administrative Fees	606	640	640
3315 Oil and Gas Lease Bonus	44,000	44,000	39,000
3316 Oil and Gas Lease Rental	3,500	7,564	7,564
3318 Sale of Natural Gas – State Energy Marketing Program	50,000	50,000	50,000
3320 Oil Royalties from Lands Owned by Educational Institutions	494,220	727,324	890,321
3325 Gas Royalties from Lands Owned by Educational Institutions	161,158	237,170	290,321
3327 Outer Continental Shelf Settlement Monies	1,200	1,200	1,200
3328 Surface Damages	6,300	7,300	7,300
3330 Hard Mineral – Prospect and Lease	400	480	480
3331 Wind/Other Surface Lease Income from School Land	130	202	202
3335 Royalties – Other Hard Minerals	938	938	938
3340 Land Easements	4,500	4,900	4,900
3341 Grazing Lease Rental	3,500	4,700	4,700
3342 Land Lease	1,750	1,800	1,800
3344 Sand, Shell, Gravel, Timber Sales	1,200	1,200	1,200
3350 Interest on Land Sales, Public School Land	7	7	7
3714 Judgments and Settlements	38	38	38
3770 Administrative Penalties	700	900	900
3802 Reimbursements – Third Party	180	180	180
3828 Dividend Income	8	8	8
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	5,294	5,294	5,294
3854 Interest Other – General, Non-Program	8,000	8,000	8,000
3861 Gain on Sale of Investments, Obligations, and Securities	120,000	135,000	135,000
3864 Interest on State Deposits and Treasury Investments, Non-Operating Revenue – Operating Grants and Contributions	18,856	18,856	18,856
3873 Interest on Investments, Obligations and Securities, Operating Revenue – Operating Grants and Contributions	78,000	83,000	83,000
3910 Transfers to Available Education Funds from Permanent Education Funds	(1,701,670)	(2,132,000)	(2,177,000)
Total Estimated Fund 0044 Receipts	(697,185)	(791,299)	(625,151)
0045 Permanent University Fund			
3315 Oil and Gas Lease Bonus	5,000	25,000	10,000
3316 Oil and Gas Lease Rental	62	312	125
3320 Oil Royalties from Lands Owned by Educational Institutions	520,637	766,201	937,911

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0045 Permanent University Fund (concluded)			
3325 Gas Royalties from Lands Owned by Educational Institutions	\$ 69,170	\$ 101,795	\$ 124,607
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	49	49	49
Total Estimated Fund 0045 Receipts	594,918	893,357	1,072,692
0047 Texas A&M University Available Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2,819	2,819	2,819
Total Estimated Fund 0047 Receipts	2,819	2,819	2,819
0053 Charter District Bond Guarantee Reserve Fund			
3530 School Bond Guarantee Fees	20,559	20,970	21,390
3864 Interest on State Deposits and Treasury Investments, Non-Operating Revenue – Operating Grants and Contributions	1	1	1
Total Estimated Fund 0053 Receipts	20,560	20,971	21,391
0161 TexasSure Fund			
3014 Motor Vehicle Registration Fees	5,074	5,074	5,074
Total Estimated Fund 0161 Receipts	5,074	5,074	5,074
0175 Texas Infrastructure Resiliency Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2,912	2,884	2,659
Total Estimated Fund 0175 Receipts	2,912	2,884	2,659
0179 Permanent Fund Supporting Graduate Education			
3854 Interest Other – General, Non-Program	11,000	11,000	11,000
Total Estimated Fund 0179 Receipts	11,000	11,000	11,000
0183 Texas Economic Development Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	50	50	50
Total Estimated Fund 0183 Receipts	50	50	50
0184 Transportation Infrastructure Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	51	51	51
Total Estimated Fund 0184 Receipts	51	51	51
0186 Pesticide Disposal Fund			
3410 Agriculture Registration Fees	400	400	400
Total Estimated Fund 0186 Receipts	400	400	400
0194 Flood Infrastructure Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	3,323	2,598	1,593
Total Estimated Fund 0194 Receipts	3,323	2,598	1,593
0211 University of Texas Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	26	26	26
Total Estimated Fund 0211 Receipts	26	26	26
0214 Available National Research University Fund			
3777 Warrants Voided by Statute of Limitation – Default Fund	3	3	3
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	282	282	282
Total Estimated Fund 0214 Receipts	285	285	285

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0301 Rural Water Assistance Fund			
3857 Interest on State Deposits and Treasury Investments, Operating Revenue – Operating Grants and Contributions	\$ 54	\$ 54	\$ 54
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	2,646	2,646	2,570
Total Estimated Fund 0301 Receipts	2,700	2,700	2,624
0302 Water Infrastructure Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1,740	1,444	1,158
3854 Interest Other – General, Non-Program	10,567	10,567	9,603
Total Estimated Fund 0302 Receipts	12,307	12,011	10,761
0303 Assistant Prosecutor Supplement Fund			
3858 Bail Bond Surety Fees	3,000	3,000	3,000
Total Estimated Fund 0303 Receipts	3,000	3,000	3,000
0304 Property Tax Relief Fund			
3004 Motor Vehicle Sales and Use Tax	25,442	26,393	27,033
3130 Franchise/Business Margins Tax	1,258,600	1,305,100	1,393,800
3275 Cigarette Tax	780,300	676,400	738,900
3278 Cigar and Tobacco Products Tax	18,877	19,062	19,388
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1,509	1,489	1,545
Total Estimated Fund 0304 Receipts	2,084,728	2,028,444	2,180,666
0305 Tax Reduction and Excellence in Education Fund			
3102 Limited Sales and Use Tax	830,000	870,000	915,000
Total Estimated Fund 0305 Receipts	830,000	870,000	915,000
0325 Coronavirus Relief Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	17,664	0	0
Total Estimated Fund 0325 Receipts	17,664	0	0
0327 Texas-bred Incentive Fund			
3193 Breakage – Horse Racing	1,549	1,400	1,266
3197 Breakage – Greyhound Racing	300	300	300
Total Estimated Fund 0327 Receipts	1,849	1,700	1,566
0328 Jury Service Fund			
3704 Court Costs	11,158	12,731	12,169
Total Estimated Fund 0328 Receipts	11,158	12,731	12,169
0356 Economically Distressed Areas Clearance Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	5	5	5
Total Estimated Fund 0356 Receipts	5	5	5
0357 Economically Distressed Areas Clearance Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	4	4	4
Total Estimated Fund 0357 Receipts	4	4	4

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0358 Agricultural Water Conservation Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	\$ 20	\$ 20	\$ 20
3857 Interest on State Deposits and Treasury Investments, Operating Revenue – Operating Grants and Contributions	143	143	143
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	31	31	23
Total Estimated Fund 0358 Receipts	194	194	186
0361 State Water Implementation Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	790	794	797
Total Estimated Fund 0361 Receipts	790	794	797
0364 Permanent Endowment Fund for the Rural Community Health Care Investment Program			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	122	122	122
Total Estimated Fund 0364 Receipts	122	122	122
0365 Texas Mobility Fund			
3012 Motor Vehicle Certificates	150,433	154,946	157,270
3014 Motor Vehicle Registration Fees	2	2	2
3020 Motor Vehicle Inspection Fees	97,752	95,603	96,559
3025 Driver's License Fees	203,120	193,260	196,159
3027 Driver Record Information Fees	68,436	70,130	70,832
3057 Motor Carrier Act Penalties	3,150	3,290	3,500
3777 Warrants Voided by Statute of Limitation – Default Fund	12	0	0
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	880	817	590
Total Estimated Fund 0365 Receipts	523,785	518,048	524,912
0368 Fund for Veterans' Assistance			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	2,753	2,753	2,753
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	182	182	182
3922 Transfers to GR Account – Foundation School 0193 from GR Account – Lottery 5025 (Education)	18,644	17,756	17,756
3963 Transfer to GR Account – State Owned Multicategorical Teaching Hospital 5049 and Unappropriated GR 0001 from GR Account – Lottery 5025 (Other)	2,784	2,651	2,651
Total Estimated Fund 0368 Receipts	24,363	23,342	23,342
0369 Federal American Recovery and Reinvestment Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	138	138	138
Total Estimated Fund 0369 Receipts	138	138	138
0370 Texas Water Development Fund II Clearance Fund			
3857 Interest on State Deposits and Treasury Investments, Operating Revenue – Operating Grants and Contributions	2,000	2,000	2,000
Total Estimated Fund 0370 Receipts	2,000	2,000	2,000
0371 Texas Water Development Fund II			
3782 Repayments from Political Subdivisions/Other of Loans/Advances	49,250	30,014	30,014
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
3854 Interest Other – General, Non-Program	600	600	600

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0371 Texas Water Development Fund II (concluded)			
3857 Interest on State Deposits and Treasury Investments, Operating Revenue – Operating Grants and Contributions	\$ 400	\$ 400	\$ 400
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	50,000	50,000	50,000
Total Estimated Fund 0371 Receipts	100,251	81,015	81,015
0372 Texas Water Development Fund II Interest and Sinking Fund			
3857 Interest on State Deposits and Treasury Investments, Operating Revenue – Operating Grants and Contributions	50	50	50
Total Estimated Fund 0372 Receipts	50	50	50
0373 Freestanding Emergency Medical Care Facility Licensing Fund			
3557 Health Care Facilities Fees	1,013	1,013	1,013
Total Estimated Fund 0373 Receipts	1,013	1,013	1,013
0374 Veterans Financial Assistance Program Fund			
3634 Medicare Reimbursements	7,806	7,806	7,806
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	62	62	62
3777 Warrants Voided by Statute of Limitation – Default Fund	20	20	20
3802 Reimbursements – Third Party	10	10	10
3840 Veteran Home/Cemetery Payments from Residents, VA Reimbursements and Non-Veterans	25,748	25,748	25,748
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	115	115	115
Total Estimated Fund 0374 Receipts	33,761	33,761	33,761
0383 Veterans Housing Program, Tax-Exempt Issues			
3307 Repayment of Principal on Veterans Land/Housing Contracts	180,973	180,973	180,973
3308 Interest on Veterans Land/Housing Contracts	48,643	48,643	48,643
3770 Administrative Penalties	6	6	6
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	305	305	305
3861 Gain on Sale of Investments, Obligations, and Securities	7	7	7
Total Estimated Fund 0383 Receipts	229,934	229,934	229,934
0384 Veterans Housing Program, Taxable Issues			
3307 Repayment of Principal on Veterans Land/Housing Contracts	63,561	63,561	63,561
3308 Interest on Veterans Land/Housing Contracts	16,223	16,223	16,223
3770 Administrative Penalties	2	2	2
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	27	27	27
3861 Gain on Sale of Investments, Obligations, and Securities	13	13	13
Total Estimated Fund 0384 Receipts	79,826	79,826	79,826
0385 Veterans Land Program, Tax-Exempt Issues			
3307 Repayment of Principal on Veterans Land/Housing Contracts	500	500	500
3308 Interest on Veterans Land/Housing Contracts	373	373	373
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	22	22	22
Total Estimated Fund 0385 Receipts	895	895	895
0388 Texas College Student Loan Bonds Interest and Sinking Fund			
3517 Repayment of College Student Loans	162,140	170,247	178,759
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1,570	1,570	1,570
Total Estimated Fund 0388 Receipts	163,710	171,817	180,329

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0480 Water Assistance Fund			
3767 Supplies/Equipment/Services – Federal/Other	\$ 240	\$ 240	\$ 240
Total Estimated Fund 0480 Receipts	240	240	240
0482 Storage Acquisition Fund			
3854 Interest Other – General, Non-Program	23	23	23
Total Estimated Fund 0482 Receipts	23	23	23
0493 Endowment Fund for the Blind			
3740 Gifts/Grants/Donations – Non-Operating Revenue/Program Revenue – Operating Grants and Contributions	8	8	8
Total Estimated Fund 0493 Receipts	8	8	8
0522 Veterans Land Program Administration Fund			
3802 Reimbursements – Third Party	1	1	1
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	29	32	34
Total Estimated Fund 0522 Receipts	30	33	35
0529 Veterans Housing Assistance Series 1984A Fund			
3307 Repayment of Principal on Veterans Land/Housing Contracts	14,302	14,302	14,302
3308 Interest on Veterans Land/Housing Contracts	2,774	2,774	2,774
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	9	9	9
3861 Gain on Sale of Investments, Obligations, and Securities	1,318	1,318	1,318
Total Estimated Fund 0529 Receipts	18,403	18,403	18,403
0571 Veterans Land Bond Series 1986 Refunding Fund			
3305 Veterans Land Board Service Fees	502	502	502
3307 Repayment of Principal on Veterans Land/Housing Contracts	(20,260)	(20,260)	(20,260)
3308 Interest on Veterans Land/Housing Contracts	23,500	23,500	23,500
3770 Administrative Penalties	20	20	20
3777 Warrants Voided by Statute of Limitation – Default Fund	50	50	50
3802 Reimbursements – Third Party	37	37	37
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	34	34	34
3861 Gain on Sale of Investments, Obligations, and Securities	364	364	364
3879 Credit Card and Electronic Services Related Fees	4	4	4
Total Estimated Fund 0571 Receipts	4,251	4,251	4,251
0573 Judicial Fund			
3014 Motor Vehicle Registration Fees	9	9	9
3195 Additional Legal Services Fee	2,280	2,280	2,280
3704 Court Costs	52,497	47,055	42,176
3709 District Court Suit Filing Fee	13,070	13,070	13,070
3711 Judicial Fees	1,090	1,090	1,090
3717 Civil Penalties	8,842	8,842	8,842
3719 Fees for Copies or Filing of Records	1	1	1
Total Estimated Fund 0573 Receipts	77,789	72,347	67,468
0577 Tax and Revenue Anticipation Note Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	295,182	471,470	471,470
Total Estimated Fund 0577 Receipts	295,182	471,470	471,470

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
0588 Small Business Incubator Fund			
3782 Repayments from Political Subdivisions/Other of Loans/Advances	\$ 164	\$ 164	\$ 164
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	84	73	83
3875 Interest Income, Other Operating Revenue – Operating Grants and Contributions	86	89	82
Total Estimated Fund 0588 Receipts	334	326	329
0589 Texas Product Development Fund			
3782 Repayments from Political Subdivisions/Other of Loans/Advances	1,148	1,148	1,148
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	46	49	51
Total Estimated Fund 0589 Receipts	1,194	1,197	1,199
0590 Veterans Housing Assistance Bonds Series 1992 Fund			
3307 Repayment of Principal on Veterans Land/Housing Contracts	19,982	19,982	19,982
3308 Interest on Veterans Land/Housing Contracts	4,924	4,924	4,924
3770 Administrative Penalties	1	1	1
3777 Warrants Voided by Statute of Limitation – Default Fund	1	1	1
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	21	21	21
3861 Gain on Sale of Investments, Obligations, and Securities	28	28	28
Total Estimated Fund 0590 Receipts	24,957	24,957	24,957
0599 Economic Stabilization Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	20,503	16,886	12,142
Total Estimated Fund 0599 Receipts	20,503	16,886	12,142
0626 Veterans Bonds Activity Series 1989 Fund			
3307 Repayment of Principal on Veterans Land/Housing Contracts	250	200	180
3308 Interest on Veterans Land/Housing Contracts	50	40	30
Total Estimated Fund 0626 Receipts	300	240	210
0683 Texas Agricultural Fund			
3042 Motor Vehicle Assessment – Young Farmer Program	595	595	595
3401 Repayment of Financial Assistance Loans/Agricultural Products	140	140	140
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	90	90	90
3855 Interest on Investments, Obligations and Securities – General, Non-Program	45	45	45
Total Estimated Fund 0683 Receipts	870	870	870
0733 T.P.F.A. Series B Master Lease Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	23	23	23
Total Estimated Fund 0733 Receipts	23	23	23
0735 T.P.F.A. Series B Master Lease Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	6	4	4
Total Estimated Fund 0735 Receipts	6	4	4
0827 Anthropogenic Carbon Dioxide Storage Trust Fund			
3366 Business Fees – Natural Resources	20	0	0
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 0827 Receipts	21	1	1
7048 T.P.F.A. G.O. Series 2010 Refunding Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	0
Total Estimated Fund 7048 Receipts	1	1	0

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
7049 T.P.F.A. G.O. Series 2011 Refunding Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	\$ 2	\$ 2	\$ 2
Total Estimated Fund 7049 Receipts	2	2	2
7051 T.P.F.A. G.O. Taxable Series 2011 Refunding Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 7051 Receipts	1	1	1
7056 T.P.F.A. G.O. Series 2014A Refunding Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 7056 Receipts	1	1	1
7058 T.P.F.A. G.O. Taxable Series 2014B Refunding Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 7058 Receipts	1	1	1
7059 T.P.F.A. G.O. Series 2015A Refunding Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 7059 Receipts	1	1	1
7061 T.P.F.A. G.O. and Refunding Bonds (CPRIT), Series 2015C, Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2	2	2
Total Estimated Fund 7061 Receipts	2	2	2
7063 T.P.F.A. G.O. Refunding Bonds, Series 2016, Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	0	0
Total Estimated Fund 7063 Receipts	1	0	0
7067 T.P.F.A. G.O. and Refunding Bonds (CPRIT), Series 2017, Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2	2	2
Total Estimated Fund 7067 Receipts	2	2	2
7069 T.P.F.A. G.O. Refunding Bonds, Series 2017A, Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 7069 Receipts	1	1	1
7073 T.P.F.A. G.O. Refunding Bonds Taxable Series 2018 CPRIT Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2	2	2
Total Estimated Fund 7073 Receipts	2	2	2
7075 T.P.F.A. G.O. Refunding Bonds, Series 2018A, Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	2	2
Total Estimated Fund 7075 Receipts	1	2	2
7077 T.P.F.A. G.O. and Refunding Bonds, Taxable Series 2020, Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2	2	2
Total Estimated Fund 7077 Receipts	2	2	2
7209 T.P.F.A. G.O. Series 2008A Refunding DPS Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2	0	0
Total Estimated Fund 7209 Receipts	2	0	0

Texas Biennial Revenue Estimate

Schedule I (continued)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (continued)			
7211 T.P.F.A. G.O. Series 2009B DPS Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	\$ 5	\$ 0	\$ 0
Total Estimated Fund 7211 Receipts	5	0	0
7213 T.P.F.A. G.O. Series 2009B THC Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	6	0	0
Total Estimated Fund 7213 Receipts	6	0	0
7217 T.P.F.A. G.O. Series 2011 Refunding TFC Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	0	0
Total Estimated Fund 7217 Receipts	1	0	0
7352 T.P.F.A. Revenue Commercial Paper Series 2016 A&B TFC Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 7352 Receipts	1	1	1
7356 T.P.F.A. Lease Revenue and Refunding (TFC Project) Tax-Exempt Interest and Sinking Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	1	1
Total Estimated Fund 7356 Receipts	1	1	1
7516 T.P.F.A. Lease Revenue and Refunding (TFC Project) Tax-Exempt Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	720	374	204
Total Estimated Fund 7516 Receipts	720	374	204
7604 T.P.F.A. G.O. Commercial Paper Series 2002B Colonias Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	3	0	0
Total Estimated Fund 7604 Receipts	3	0	0
7629 T.P.F.A. G.O. Commercial Paper Series 2008 DPS Project 1A Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	45	32	8
Total Estimated Fund 7629 Receipts	45	32	8
7639 T.P.F.A. Cancer Prevention and Research Institute of Texas Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	727	869	788
Total Estimated Fund 7639 Receipts	727	869	788
7647 T.P.F.A. G.O. Commercial Paper Series 2008 TPWD Project 1B Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	0	0
Total Estimated Fund 7647 Receipts	1	0	0
7650 T.P.F.A. G.O. Commercial Paper Series 2008 THC Project 1C Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	1	0	0
Total Estimated Fund 7650 Receipts	1	0	0
7651 T.P.F.A. G.O. Commercial Paper Series 2008 DSHS Project 1C Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	3	0	0
Total Estimated Fund 7651 Receipts	3	0	0
7652 T.P.F.A. G.O. Commercial Paper Series 2008 TFC Project 1C Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2	0	0
Total Estimated Fund 7652 Receipts	2	0	0

Texas Biennial Revenue Estimate

Schedule I (concluded)

Estimate of Revenue by Source, Fund, Account and Object

(Thousands of Dollars)

Fund No.	Fiscal Year		
	2021	2022	2023
SOURCE: OTHER FUNDS (concluded)			
7654 T.P.F.A. G.O. Commercial Paper Series 2008 TPWD Project 1C Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	\$ 11	\$ 2	\$ 0
Total Estimated Fund 7654 Receipts	11	2	0
7656 T.P.F.A. G.O. Commercial Paper Series 2008 DPS Project 1C Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	5	0	0
Total Estimated Fund 7656 Receipts	5	0	0
7657 T.P.F.A. G.O. Commercial Paper Series 2008 TFC Project 1D Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	2	0	0
Total Estimated Fund 7657 Receipts	2	0	0
7658 T.P.F.A. G.O. Commercial Paper Series 2008 DADS Project 1C Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	7	4	0
Total Estimated Fund 7658 Receipts	7	4	0
7659 T.P.F.A. G.O. Commercial Paper Series 2008 TPWD Project 1D Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	11	3	0
Total Estimated Fund 7659 Receipts	11	3	0
7660 T.P.F.A. G.O. Commercial Paper Series 2008 DSHS Project 1D Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	4	1	0
Total Estimated Fund 7660 Receipts	4	1	0
7800 T.P.F.A. Revenue Commercial Paper Series 2016 A&B TFC Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	26	0	0
Total Estimated Fund 7800 Receipts	26	0	0
7802 T.P.F.A. Revenue Commercial Paper Series 2019A (HHSC Deferred Maintenance) Project Fund			
3851 Interest on State Deposits and Treasury Investments – General, Non-Program	38	111	191
Total Estimated Fund 7802 Receipts	38	111	191
Total Estimated Other Funds	\$ 19,167,879	\$ 20,301,276	\$ 18,906,666
Total Estimated All Funds	\$ 147,841,118	\$ 137,295,579	\$ 133,171,181

Texas Biennial Revenue Estimate

Schedule II

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS							
0001	0001	General Revenue Fund	\$ (160,062)	\$ 96,941,713	\$ (26,494,330)	\$ 75,114,003	\$ (4,826,682)
0001	0009	GR Account – Game, Fish, and Water Safety	127,199	209,242	(5,883)	191,328	139,230
0001	0019	GR Account – Vital Statistics	19,066	17,300	(565)	17,282	18,519
0001	0027	GR Account – Coastal Protection	10,636	18,475	(1,677)	12,886	14,548
0001	0028	GR Account – Appraiser Registry	1	166	0	166	1
0001	0036	GR Account – Texas Department of Insurance Operating	177,782	39,735	130,000	187,000	160,517
0001	0064	GR Account – State Parks	66,168	61,722	88,413	147,255	69,048
0001	0088	GR Account – Low-Level Radioactive Waste	23,749	700	(348)	1,506	22,595
0001	0099	GR Account – Operators and Chauffeurs License	403	0	0	0	403
0001	0107	GR Account – Comprehensive Rehabilitation	1,642	0	0	0	1,642
0001	0108	GR Account – Private Beauty Culture School Tuition Protection	202	0	0	0	202
0001	0116	GR Account – Texas Commission on Law Enforcement	10,094	7,185	(18)	11,290	5,971
0001	0129	GR Account – Hospital Licensing	26,410	2,542	0	2,715	26,237
0001	0151	GR Account – Clean Air	289,985	79,486	(8,907)	48,322	312,242
0001	0153	GR Account – Water Resource Management	66,312	103,055	(2,052)	98,889	68,426
0001	0158	GR Account – Watermaster Administration	2,230	2,656	(19)	2,163	2,704
0001	0165	GR Account – Unemployment Compensation Special Administration	27,939	16,436	12,342	33,819	22,898
0001	0225	GR Account – University of Houston Current	104,481	78,456	(2,015)	17,083	163,839
0001	0227	GR Account – Angelo State University Current	2,891	11,188	(334)	10,865	2,880
0001	0228	GR Account – University of Texas at Tyler Current	9,761	13,442	(400)	11,307	11,496
0001	0229	GR Account – University of Houston – Clear Lake Current	10,852	12,713	(426)	14,798	8,341
0001	0230	GR Account – Texas A&M University – Corpus Christi Current	11,943	16,603	(450)	16,691	11,405
0001	0231	GR Account – Texas A&M International University Current	13,333	11,286	(594)	9,348	14,677
0001	0232	GR Account – Texas A&M University – Texarkana Current	2,343	1,940	(138)	3,375	770
0001	0233	GR Account – University of Houston – Victoria Current	841	5,248	(199)	5,666	224
0001	0236	GR Account – University of Texas System Cancer Center Current	1,178	740	(475)	475	968
0001	0237	GR Account – Texas State Technical College System Current	8,784	5,515	(242)	4,410	9,647
0001	0238	GR Account – University of Texas at Dallas Current	20,800	52,093	(1,620)	57,851	13,422
0001	0239	GR Account – Texas Tech University Health Sciences Center Current	17,943	16,701	(512)	16,259	17,873
0001	0242	GR Account – Texas A&M University Current	6,641	112,482	(2,985)	116,138	0
0001	0243	GR Account – Tarleton State University Current	3,076	16,461	(613)	17,522	1,402
0001	0244	GR Account – University of Texas at Arlington Current	24,870	66,962	(1,875)	69,732	20,225
0001	0245	GR Account – Prairie View A&M University Current	17,574	14,989	(773)	17,126	14,664
0001	0246	GR Account – University of Texas Medical Branch at Galveston Current	0	10,549	0	10,549	0
0001	0247	GR Account – Texas Southern University Current	17,029	24,625	(919)	24,601	16,134
0001	0248	GR Account – University of Texas at Austin Current	122,365	113,667	(1,300)	131,700	103,032
0001	0249	GR Account – University of Texas at San Antonio Current	12,970	43,919	(1,387)	45,587	9,915
0001	0250	GR Account – University of Texas at El Paso Current	4,337	31,223	(845)	31,938	2,777
0001	0251	GR Account – University of Texas of the Permian Basin Current	13,500	8,223	(188)	7,258	14,277
0001	0252	GR Account – University of Texas Southwestern Medical Center Current	24,764	6,631	(201)	4,785	26,409
0001	0253	GR Account – Texas Woman's University Current	4,949	20,988	(704)	21,339	3,894
0001	0254	GR Account – Texas A&M University – Kingsville Current	8,708	12,714	(508)	16,923	3,991
0001	0255	GR Account – Texas Tech University Current	15,396	58,372	(1,800)	54,943	17,025
0001	0256	GR Account – Lamar University Current	6,485	17,038	(810)	16,978	5,735
0001	0257	GR Account – Texas A&M University – Commerce Current	3,681	15,840	(340)	17,507	1,674
0001	0258	GR Account – University of North Texas Current	10,406	47,802	(1,745)	50,000	6,463
0001	0259	GR Account – Sam Houston State University Current	21,040	27,299	(718)	24,799	22,822
0001	0260	GR Account – Texas State University Current	20,061	43,772	(1,623)	42,037	20,173
0001	0261	GR Account – Stephen F. Austin State University Current	2,068	15,744	(450)	16,925	437

Texas Biennial Revenue Estimate

Schedule II (continued)

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS (continued)							
0001	0262	GR Account – Sul Ross State University Current	\$ 1,845	\$ 1,679	\$ (139)	\$ 1,690	\$ 1,695
0001	0263	GR Account – West Texas A&M University Current	1,614	12,743	(600)	13,393	364
0001	0264	GR Account – Midwestern State University Current	3,326	5,339	(149)	6,734	1,782
0001	0268	GR Account – University of Houston Downtown Current	999	17,426	(589)	17,835	1
0001	0271	GR Account – University of Texas Health Science Center at Houston Current	42,402	23,991	(1,853)	22,416	42,124
0001	0275	GR Account – Texas A&M University at Galveston Current	1,231	3,070	(142)	3,377	782
0001	0279	GR Account – University of Texas Health Science Center at San Antonio Current	8,464	12,086	(460)	15,875	4,215
0001	0280	GR Account – University of North Texas Health Science Center at Fort Worth Current	5,126	10,117	(478)	10,170	4,595
0001	0282	GR Account – University of Texas Health Center at Tyler Current	0	387	(120)	267	0
0001	0285	GR Account – Lamar State College Orange Current	1,922	1,969	(64)	850	2,977
0001	0286	GR Account – Lamar State College Port Arthur Current	2,488	1,853	(98)	1,798	2,445
0001	0287	GR Account – Lamar Institute of Technology Current	1,742	2,102	(149)	2,180	1,515
0001	0289	GR Account – Texas A&M University System Health Science Center Current	15,453	16,856	(382)	14,480	17,447
0001	0290	GR Account – Texas A&M University – San Antonio Current	9,521	6,854	(438)	7,612	8,325
0001	0291	GR Account – Texas A&M University – Central Texas Current	1,618	2,412	(78)	2,374	1,578
0001	0292	GR Account – University of North Texas – Dallas Current	4,401	7,113	(490)	7,098	3,926
0001	0293	GR Account – University of Texas – Rio Grande Valley Current	29,210	34,991	(650)	38,741	24,810
0001	0294	GR Account – Texas Tech University Health Sciences Center El Paso Current	6,376	3,019	(88)	5,418	3,889
0001	0334	GR Account – Commission on the Arts Operating	0	152	0	152	0
0001	0341	GR Account – Food and Drug Retail Fee	15,965	2,621	(469)	1,784	16,333
0001	0412	GR Account – Midwestern State University Special Mineral	0	2	0	2	0
0001	0450	GR Account – Coastal Public Lands Management Fee	764	312	(9)	280	787
0001	0453	GR Account – Disaster Contingency	373	0	0	0	373
0001	0467	GR Account – Texas Recreation and Parks	27,476	5,332	10,172	18,414	24,566
0001	0468	GR Account – Texas Commission on Environmental Quality Occupational Licensing	10,351	2,537	(93)	2,165	10,630
0001	0472	GR Account – Inaugural	100	0	0	0	100
0001	0492	GR Account – Business Enterprise Program	258	1,476	(1)	1,666	67
0001	0501	GR Account – Motorcycle Education	17,222	1,412	(2)	1,035	17,597
0001	0506	GR Account – Non-Game and Endangered Species Conservation	1,602	36	0	57	1,581
0001	0507	GR Account – State Lease	8,362	0	0	0	8,362
0001	0512	GR Account – Bureau of Emergency Management	5,300	2,639	(366)	2,486	5,087
0001	0524	GR Account – Public Health Services Fees	5,726	24,667	(1,490)	23,086	5,817
0001	0543	GR Account – Texas Capital Trust	4,085	3,802	(1,940)	4,583	1,364
0001	0544	GR Account – Lifetime License Endowment	27,878	1,513	0	286	29,105
0001	0549	GR Account – Waste Management	25,439	42,954	(1,595)	41,400	25,398
0001	0550	GR Account – Hazardous and Solid Waste Remediation Fees	34,193	29,921	(2,329)	32,961	28,824
0001	0570	GR Account – Federal Surplus Property Service Charge	6,539	2,153	(399)	1,666	6,627
0001	0581	GR Account – Bill Blackwood Law Enforcement Management Institute	1,653	2,779	(74)	3,308	1,050
0001	0597	GR Account – Texas Racing Commission	1,398	5,193	(188)	4,294	2,109
0001	0655	GR Account – Petroleum Storage Tank Remediation	103,633	20,883	(1,828)	27,609	95,079
0001	0664	GR Account – Texas Preservation Trust	756	249	500	249	1,256
0001	0679	GR Account – Artificial Reef	14,150	870	(1)	480	14,539
0001	5000	GR Account – Solid Waste Disposal Fees	117,026	11,493	(40)	5,533	122,946
0001	5003	GR Account – Hotel Occupancy Tax for Economic Development	98,946	0	0	0	98,946
0001	5004	GR Account – Parks and Wildlife Conservation and Capital	59,124	0	46,086	46,086	59,124
0001	5005	GR Account – Oil Overcharge	81,507	11,684	(3,374)	13,796	76,021

Texas Biennial Revenue Estimate

Schedule II (continued)

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS (continued)							
0001	5006	GR Account – Attorney General Law Enforcement	\$ 3,693	\$ 866	\$ 1,189	\$ 2,355	\$ 3,393
0001	5007	GR Account – Commission on State Emergency Communications	49,883	23,110	(3,525)	14,953	54,515
0001	5008	GR Account – Inaugural Endowment	84	0	0	0	84
0001	5009	GR Account – Children with Special Healthcare Needs	391	0	0	0	391
0001	5010	GR Account – Sexual Assault Program	36,361	13,948	(310)	21,215	28,784
0001	5012	GR Account – Crime Stoppers Assistance	988	473	(10)	456	995
0001	5013	GR Account – Breath Alcohol Testing	9,806	738	(1)	1,513	9,030
0001	5017	GR Account – Asbestos Removal Licensure	28,001	3,769	(95)	3,812	27,863
0001	5018	GR Account – Home Health Services	17,241	8,091	(16)	7,333	17,983
0001	5020	GR Account – Workplace Chemicals List	1,260	1,218	(45)	1,127	1,306
0001	5021	GR Account – Certification of Mammography Systems	3,943	1,341	(70)	1,504	3,710
0001	5022	GR Account – Oyster Sales	720	291	(17)	108	886
0001	5024	GR Account – Food and Drug Registration	39,831	10,254	(621)	9,090	40,374
0001	5025	GR Account – Lottery	141,921	2,464,026	(1,718,823)	796,145	90,979
0001	5029	GR Account – Center for Study and Prevention of Juvenile Crime and Delinquency	8,329	1,615	(44)	1,957	7,943
0001	5031	GR Account – Excess Benefit Arrangement, Teacher Retirement System	283	0	0	0	283
0001	5039	GR Account – Excess Benefit Arrangement, Employees Retirement System	246	0	0	0	246
0001	5040	GR Account – Tobacco Settlement	70,381	456,900	(2,911)	407,705	116,665
0001	5049	GR Account – State Owned Multicategorical Teaching Hospital	5,367	0	439	439	5,367
0001	5050	GR Account – 9-1-1 Service Fees	86,234	6,025	26,211	73,000	45,470
0001	5051	GR Account – Go Texan Partner Program	81	0	0	0	81
0001	5059	GR Account – Peace Officer Flag	9	7	0	0	16
0001	5060	GR Account – Private Sector Prison Industries	1,000	0	0	0	1,000
0001	5064	GR Account – Volunteer Fire Department Assistance	64,771	22,626	(570)	25,118	61,709
0001	5065	GR Account – Environmental Testing Laboratory Accreditation	991	831	2	906	918
0001	5066	GR Account – Rural Volunteer Fire Department Insurance	4,866	0	2,115	1,899	5,082
0001	5071	GR Account – Emissions Reduction Plan	1,952,168	101,490	136,602	97,972	2,092,288
0001	5073	GR Account – Fair Defense	38,860	37,019	6,211	50,051	32,039
0001	5080	GR Account – Quality Assurance	3,726	60,057	11,300	60,000	15,083
0001	5081	GR Account – Barber School Tuition Protection	25	0	0	0	25
0001	5083	GR Account – Correctional Management Institute and Criminal Justice Center	1,757	1,612	(58)	1,482	1,829
0001	5085	GR Account – Child Abuse Neglect and Prevention Trust	4,160	3,500	(5,686)	0	1,974
0001	5093	GR Account – Dry Cleaning Facility Release	22,583	3,164	(20)	3,891	21,836
0001	5094	GR Account – Operating Permit Fees	16,572	39,425	(3,980)	40,433	11,584
0001	5096	GR Account – Perpetual Care	7,553	424	0	0	7,977
0001	5101	GR Account – Subsequent Injury	84,518	11,398	0	9,680	86,236
0001	5103	GR Account – Texas B-On-Time Student Loan	137,959	0	0	0	137,959
0001	5105	GR Account – Public Assurance	2,644	3,599	0	4,033	2,210
0001	5106	GR Account – Economic Development Bank	13,083	1,128	(3,578)	557	10,076
0001	5107	GR Account – Texas Enterprise	259,980	2,181	(18,600)	0	243,561
0001	5108	GR Account – EMS, Trauma Facilities, Trauma Care Systems	22,012	2,211	(3)	2,398	21,822
0001	5111	GR Account – Designated Trauma Facility and EMS	59,796	107,900	(46,307)	19,279	102,110
0001	5125	GR Account – Childhood Immunization	221	68	0	46	243
0001	5128	GR Account – Employment and Training Investment Holding	374,872	112,988	(487,473)	386	1
0001	5136	GR Account – Cancer Prevention and Research	848	40	0	40	848
0001	5138	GR Account – Fire Prevention and Public Safety	49	0	0	0	49
0001	5139	GR Account – Historic Site	1,677	845	12,033	12,879	1,676
0001	5143	GR Account – Jobs and Education For Texans (JET)	1,149	0	0	0	1,149
0001	5144	GR Account – Physician Education Loan Repayment Program	82,631	0	0	14,947	67,684

Texas Biennial Revenue Estimate

Schedule II (continued)

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS (concluded)							
0001	5150	GR Account – Large County and Municipal Recreation and Parks	\$ 17,176	\$ 0	\$ 0	\$ 0	\$ 17,176
0001	5151	GR Account – Low-Level Radioactive Waste Disposal Compact Commission	331	0	325	325	331
0001	5152	GR Account – Alamo Complex	5,084	1,574	(15)	4,068	2,575
0001	5153	GR Account – Emergency Radio Infrastructure	25,682	6,942	(64)	4,493	28,067
0001	5155	GR Account – Oil and Gas Regulation and Cleanup	139,225	73,614	865	88,571	125,133
0001	5157	GR Account – Statewide Electronic Filing System	20,777	25,174	0	20,774	25,177
0001	5158	GR Account – Environmental Radiation and Perpetual Care	6,816	1,545	0	4,739	3,622
0001	5161	GR Account – Governor's University Research Initiative	67,686	1,707	(16,925)	38	52,430
0001	5164	GR Account – Truancy Prevention and Diversion	15,057	4,935	0	3,097	16,895
0001	5166	GR Account – Deferred Maintenance	66,131	0	(1,512)	64,619	0
0001	5168	GR Account – Cancer Prevention and Research Interest and Sinking	1,479	350	0	0	1,829
0001	5169	GR Account – Veterans Recovery	1	0	0	0	1
0001	5170	GR Account – Evidence Testing	1,728	800	224	1,100	1,652
0001	5172	GR Account – Prisoner Safety	644	0	0	0	644
0001	5173	GR Account – Texas Forensic Science Commission	133	159	4	153	143
0001	5174	GR Account – Drug Court	2,400	0	0	2,000	400
0001	5177	GR Account – Identification Fee Exemption	144	1,200	0	0	1,344
0001	5178	GR Account – State Hemp Program	358	724	0	0	1,082
0001	5184	GR Account – Specialty Court	1,017	1,806	0	0	2,823
0001	5185	GR Account – DNA Testing	60	243	0	299	4
0001	5186	GR Account – Transportation Administrative Fee	1,873	7,549	0	7,549	1,873
0010	0000	Texas Department of Motor Vehicles Fund	160,705	160,722	(34,243)	101,028	186,156
0053	0000	Charter District Bond Guarantee Reserve Fund	0	20,560	(20,163)	0	397
0161	0000	TexasSure Fund	6,707	5,074	(24)	3,470	8,287
0175	0000	Texas Infrastructure Resiliency Fund	647,134	2,912	(50)	9,188	640,808
0179	0000	Permanent Fund Supporting Graduate Education	0	11,000	0	11,000	0
0183	0000	Texas Economic Development Fund	5,933	50	0	1,000	4,983
0184	0000	Transportation Infrastructure Fund	10,321	51	0	0	10,372
0186	0000	Pesticide Disposal Fund	0	400	400	400	400
0210	0000	Permanent Fund Supporting Military and Veterans Exemptions	1,584	0	0	0	1,584
0303	0000	Assistant Prosecutor Supplement Fund	0	3,000	0	3,000	0
0304	0000	Property Tax Relief Fund	0	2,084,728	0	2,084,728	0
0305	0000	Tax Reduction and Excellence in Education Fund	0	830,000	(830,000)	0	0
0326	0000	Charter School Liquidation Fund	2,085	0	1,999	2,000	2,084
0327	0000	Texas-bred Incentive Fund	237	1,849	0	1,849	237
0328	0000	Jury Service Fund	0	11,158	0	11,158	0
0329	0000	Healthy Texas Small Employer Premium Stabilization Fund	47,827	0	0	0	47,827
0368	0000	Fund for Veterans' Assistance	41,157	2,965	19,045	19,868	43,299
0373	0000	Freestanding Emergency Medical Care Facility Licensing Fund	9,445	1,013	0	0	10,458
0827	0000	Anthropogenic Carbon Dioxide Storage Trust Fund	63	21	0	0	84
Total Group 1			\$ 7,014,914	\$ 105,543,328	\$ (29,251,435)	\$ 81,320,048	\$ 1,986,759
GROUP 02: CONSTITUTIONAL FUNDS							
0001	0469	GR Account – Compensation to Victims of Crime	43,689	96,284	(1,864)	119,633	18,476
0001	0494	GR Account – Compensation to Victims of Crime Auxiliary	8,250	545	(1,495)	708	6,592
0001	5114	GR Account – Texas Military Value Revolving Loan	69	2,139	(2,138)	0	70
0002	0000	Available School Fund	13,458	867	2,570,153	2,549,478	35,000
0003	0000	State Technology and Instructional Materials Fund	666,415	1,856	0	376,382	291,889
0006	0000	State Highway Fund	7,345,368	7,930,048	5,141,506	12,884,000	7,532,922
0008	0000	State Highway Debt Service Fund	211,840	38,094	279,100	433,728	95,306
0011	0000	Available University Fund	864,798	1,173,292	1,163,124	793,487	2,407,727

Texas Biennial Revenue Estimate

Schedule II (continued)

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 02: CONSTITUTIONAL FUNDS (continued)							
0047	0000	Texas A&M University Available Fund	\$ 557,981	\$ 2,819	\$ 278,160	\$ 261,351	\$ 577,609
0057	0000	County and Road District Highway Fund	0	0	7,300	7,300	0
0194	0000	Flood Infrastructure Fund	797,213	3,323	0	386,705	413,831
0211	0000	University of Texas Interest and Sinking Fund	0	26	265,170	265,170	26
0214	0000	Available National Research University Fund	50,210	285	24,758	28,325	46,928
0356	0000	Economically Distressed Areas Clearance Fund	657	5	(20)	20	622
0357	0000	Economically Distressed Areas Clearance Interest and Sinking Fund	9	4	21,965	21,965	13
0358	0000	Agricultural Water Conservation Fund	6,828	194	381	1,200	6,203
0361	0000	State Water Implementation Fund	175,604	790	(60,636)	0	115,758
0365	0000	Texas Mobility Fund	358,700	545,730	(92,552)	489,157	322,721
0370	0000	Texas Water Development Fund II Clearance Fund	91,113	2,000	(2,000)	2,000	89,113
0371	0000	Texas Water Development Fund II	66,243	100,251	(50,000)	50,000	66,494
0372	0000	Texas Water Development Fund II Interest and Sinking Fund	27	50	50,000	50,000	77
0383	0000	Veterans Housing Program, Tax-Exempt Issues	138,303	229,934	(32,828)	213,503	121,906
0384	0000	Veterans Housing Program, Taxable Issues	10,058	79,826	(8,503)	63,030	18,351
0385	0000	Veterans Land Program, Tax-Exempt Issues	355	895	(349)	901	0
0387	0000	Texas Opportunity Plan Fund	77,911	0	14,918	54	92,775
0388	0000	Texas College Student Loan Bonds Interest and Sinking Fund	116,894	163,710	(84,000)	36,000	160,604
0480	0000	Water Assistance Fund	5,100	240	(690)	338	4,312
0482	0000	Storage Acquisition Fund	0	23	(23)	0	0
0483	0000	Research and Planning Fund	2,574	0	5,090	4,727	2,937
0522	0000	Veterans Land Program Administration Fund	6,532	30	22,925	22,443	7,044
0529	0000	Veterans Housing Assistance Series 1984A Fund	2,985	18,403	6,280	24,056	3,612
0571	0000	Veterans Land Bond Series 1986 Refunding Fund	5,262	4,251	(9,513)	0	0
0588	0000	Small Business Incubator Fund	21,110	334	(5)	2,690	18,749
0589	0000	Texas Product Development Fund	9,632	1,194	(195)	389	10,242
0590	0000	Veterans Housing Assistance Bonds Series 1992 Fund	8,715	24,957	(430)	10,000	23,242
0599	0000	Economic Stabilization Fund	5,895,954	20,503	833,688	2,263,014	4,487,131
0601	0000	Student Loan Auxiliary Fund	123,635	0	86,440	148,000	62,075
0626	0000	Veterans Bonds Activity Series 1989 Fund	410	300	0	0	710
0683	0000	Texas Agricultural Fund	17,600	870	0	(1,063)	19,533
7013	0000	TPFA GO Series 2002A Interest and Sinking Fund	17	0	0	0	17
7020	0000	TPFA GO Commercial Paper Series 2002B Colonias Rebate Fund	158	0	0	0	158
7030	0000	TPFA GO Series 2007 TDJC and TFC Interest and Sinking Fund	1	0	0	0	1
7033	0000	TPFA GO Commercial Paper Series 2008 Interest and Sinking Fund	0	0	5,656	5,656	0
7039	0000	TPFA GO Series 2008A Refunding Interest and Sinking Fund	1	0	0	0	1
7040	0000	TPFA GO Series 2009B Interest and Sinking Fund	8	0	0	0	8
7042	0000	TPFA GO Commercial Paper Series A&B Cancer Project Interest and Sinking Fund	1,194	0	1,500	1,500	1,194
7045	0000	TPFA GO Series 2009A Refunding Interest and Sinking Fund	13	0	0	0	13
7048	0000	TPFA GO Series 2010 Refunding Interest and Sinking Fund	0	1	10,780	10,780	1
7049	0000	TPFA GO Series 2011 Refunding Interest and Sinking Fund	1	2	32,503	32,503	3
7051	0000	TPFA GO Taxable Series 2011 Refunding Interest and Sinking Fund	1	1	16,132	16,132	2
7053	0000	TPFA GO Series 2013 Refunding Interest and Sinking Fund	0	0	4,662	4,662	0
7056	0000	TPFA GO Series 2014A Refunding Interest and Sinking Fund	1	1	22,746	22,746	2
7058	0000	TPFA GO Taxable Series 2014B Refunding Interest and Sinking Fund	1	1	18,058	18,058	2
7059	0000	TPFA GO Series 2015A Refunding Interest and Sinking Fund	0	1	19,339	19,339	1

Texas Biennial Revenue Estimate

Schedule II (continued)

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 02: CONSTITUTIONAL FUNDS (continued)							
7061	0000	TPFA GO and Refunding Bonds (CPRIT), Series 2015C, Interest and Sinking Fund	\$ 1	\$ 2	\$ 27,640	\$ 27,640	\$ 3
7063	0000	TPFA GO Refunding Bonds, Series 2016, Interest and Sinking Fund	1	1	22,525	22,525	2
7065	0000	TPFA GO Refunding Bonds, (TMPC) Series 2016, Interest and Sinking Fund	1	0	2,138	2,138	1
7067	0000	TPFA GO and Refunding Bonds (CPRIT), Series 2017, Interest and Sinking Fund	1	2	29,012	29,012	3
7069	0000	TPFA GO Refunding Bonds, Series 2017A, Interest and Sinking Fund	1	1	12,621	12,621	2
7071	0000	TPFA GO Refunding Bonds, Series 2017B, Interest and Sinking Fund	0	0	2,796	2,796	0
7073	0000	TPFA GO Refunding Bonds Taxable Series 2018 CPRIT Interest and Sinking Fund	1	2	25,396	25,396	3
7075	0000	TPFA GO Refunding Bonds, Series 2018A, Interest and Sinking Fund	1	1	12,394	12,394	2
7077	0000	TPFA GO and Refunding Bonds, Taxable Series 2020, Interest and Sinking Fund	0	2	30,186	30,186	2
7078	0000	TPFA GO and Refunding Bonds, Taxable Series 2020, Cost of Issuance Fund	49	0	0	0	49
7201	0000	TPFA GO Commercial Paper Series 2002A TDH Project A Fund	6	0	0	0	6
7207	0000	TPFA GO Series 2007 TFC Project Fund	67	0	0	0	67
7209	0000	TPFA GO Series 2008A Refunding DPS Project Fund	818	2	2	752	70
7211	0000	TPFA GO Series 2009B DPS Project Fund	1,937	5	5	1,781	166
7213	0000	TPFA GO Series 2009B THC Project Fund	2,057	6	6	1,891	178
7216	0000	TPFA GO Series 2011 Refunding TSBVI Project Fund	1	0	0	0	1
7217	0000	TPFA GO Series 2011 Refunding TFC Project Fund	264	1	1	243	23
7604	0000	TPFA GO Commercial Paper Series 2002B Colonias Project Fund	1,173	3	3	1,078	101
7616	0000	TPFA GO Commercial Paper Series 2002A MHMR Project B Fund	2	0	0	0	2
7618	0000	TPFA GO Commercial Paper Series 2002A DPS Project B Fund	775	0	0	0	775
7628	0000	TPFA GO Commercial Paper Series 2002A TYC Project C Fund	45	0	0	0	45
7629	0000	TPFA GO Commercial Paper Series 2008 DPS Project 1A Fund	5,053	45	9,395	4,996	9,497
7633	0000	TPFA GO Commercial Paper Series 2008 TFC Project 1A Fund	3	0	0	0	3
7636	0000	TPFA GO Commercial Paper Series 2008 THC Project 1A Fund	77	0	0	0	77
7637	0000	TPFA GO Commercial Paper Series 2008 TYC Project 1A Fund	97	0	0	0	97
7639	0000	TPFA Cancer Prevention and Research Institute of Texas Project Fund	107,694	727	261,027	123,564	245,884
7640	0000	TPFA GO Commercial Paper Series 2002A TFC Project C Fund	20	0	0	0	20
7641	0000	TPFA GO Commercial Paper Series 2008 TFC Project 1B Fund	1	0	0	0	1
7645	0000	TPFA GO Commercial Paper Series 2008 TYC Project 1B Fund	21	0	0	0	21
7647	0000	TPFA GO Commercial Paper Series 2008 TPWD Project 1B Fund	399	1	1	367	34
7648	0000	TPFA GO Commercial Paper Series 2008 DPS Project 1B Fund	602	0	0	0	602
7649	0000	TPFA GO Commercial Paper Series 2008 Adjutant General Project 1B Fund	15	0	0	0	15
7650	0000	TPFA GO Commercial Paper Series 2008 THC Project 1C Fund	254	1	1	233	23
7651	0000	TPFA GO Commercial Paper Series 2008 DSHS Project 1C Fund	358	3	1,003	1,247	117
7652	0000	TPFA GO Commercial Paper Series 2008 TFC Project 1C Fund	699	2	2	643	60
7654	0000	TPFA GO Commercial Paper Series 2008 TPWD Project 1C Fund	2,440	11	1,161	2,333	1,279

Texas Biennial Revenue Estimate

Schedule II (continued)

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 02: CONSTITUTIONAL FUNDS (concluded)							
7656	0000	TPFA GO Commercial Paper Series 2008 DPS Project 1C Fund	\$ 1,401	\$ 5	\$ 605	\$ 1,839	\$ 172
7657	0000	TPFA GO Commercial Paper Series 2008 TFC Project 1D Fund	554	2	533	997	92
7658	0000	TPFA GO Commercial Paper Series 2008 DADS Project 1C Fund	647	7	1,707	929	1,432
7659	0000	TPFA GO Commercial Paper Series 2008 TPWD Project 1D Fund	1,209	11	3,011	2,448	1,783
7660	0000	TPFA GO Commercial Paper Series 2008 DSHS Project 1D Fund	1,101	4	4	554	555
7662	0000	TPFA GO Commercial Paper Series 2008 THC Project 1D Fund	158	0	0	134	24
Total Group 2			\$ 17,832,902	\$ 10,444,926	\$ 10,998,268	\$ 21,950,804	\$ 17,325,292
GROUP 03: FEDERAL FUNDS							
0001	0037	GR Account – Federal Child Welfare Service	0	509,161	(509,161)	0	0
0001	0092	GR Account – Federal Disaster	9,966	202,788	(30,139)	176,000	6,615
0001	0118	GR Account – Federal Public Library Service	146	11,834	(460)	10,988	532
0001	0127	GR Account – Community Affairs Federal	30,762	281,573	(104)	252,373	59,858
0001	0148	GR Account – Federal Health, Education and Welfare	11,515	3,364,884	(55,000)	3,309,884	11,515
0001	0171	GR Account – Federal School Lunch	0	2,246,334	(140)	2,246,194	0
0001	0221	GR Account – Federal Civil Defense and Disaster Relief	111	282	0	146	247
0001	0222	GR Account – Department of Public Safety Federal	323	1,915	0	1,900	338
0001	0223	GR Account – Federal Land and Water Conservation	9	0	0	0	9
0001	0224	GR Account – Governor's Office Federal Projects	26,315	108,529	(5,706)	104,926	24,212
0001	0273	GR Account – Federal Health and Health Lab Funding Excess Revenue	32,058	301,277	(32,958)	254,747	45,630
0001	0421	GR Account – Criminal Justice Planning	31,777	234,933	(8,485)	257,129	1,096
0001	0449	GR Account – Texas Military Federal	11,199	66,834	(2,063)	59,251	16,719
0001	0454	GR Account – Federal Land Reclamation	413	0	0	0	413
0001	5026	GR Account – Workforce Commission Federal	31,218	1,744,301	(22,329)	1,704,561	48,629
0001	5041	GR Account – Railroad Commission Federal	10,289	3,040	(11)	3,040	10,278
0001	5091	GR Account – Office of Rural Community Affairs Federal	6,255	68,166	(30)	68,136	6,255
0001	5095	GR Account – Election Improvement	33,272	90	(1,500)	15,327	16,535
0001	5109	GR Account – Medicaid Recovery 42 U.S.C §1396p	0	2,300	0	2,300	0
0325	0000	Coronavirus Relief Fund	6,920,164	17,775,049	(48,502)	21,396,130	3,250,581
0369	0000	Federal American Recovery and Reinvestment Fund	25,966	6,279	(6,141)	9,000	17,104
Total Group 3			\$ 7,181,758	\$ 26,929,569	\$ (722,729)	\$ 29,872,032	\$ 3,516,566
GROUP 04: PLEDGED FUNDS							
0001	0193	GR Account – Foundation School	738,398	2,814,010	17,809,220	21,361,628	0
0001	0540	GR Account – Judicial and Court Personnel Training	5,986	12,271	(10)	11,004	7,243
0301	0000	Rural Water Assistance Fund	2,068	2,700	(71)	2,651	2,046
0302	0000	Water Infrastructure Fund	75,851	12,307	47,617	64,851	70,924
0364	0000	Permanent Endowment Fund for the Rural Community Health Care Investment Program	296	122	0	140	278
0374	0000	Veterans Financial Assistance Program Fund	31,639	105,286	(1,960)	100,154	34,811
0493	0000	Endowment Fund for the Blind	2	8	0	8	2
0573	0000	Judicial Fund	9,863	77,789	2,058	80,181	9,529
0577	0000	Tax and Revenue Anticipation Note Fund	71,989	295,182	(34,714)	282,990	49,467
0733	0000	TPFA Series B Master Lease Interest and Sinking Fund	5,132	23	8,878	8,878	5,155
0735	0000	TPFA Series B Master Lease Project Fund	869	6	6	802	79
7342	0000	TPFA Revenue Refunding Series 2015A TFC Interest and Sinking Fund	0	0	1,007	1,007	0
7344	0000	TPFA Revenue Refunding Series 2015B TMD Interest and Sinking Fund	0	0	1,259	1,259	0
7352	0000	TPFA Revenue Commercial Paper Series 2016 A&B TFC Interest and Sinking Fund	0	1	15,985	15,985	1

Texas Biennial Revenue Estimate

Schedule II (concluded)

Estimated Fund Balances for Fiscal Year 2021

(Thousands of Dollars)

Fund Acct	Fund or Account Name	Beginning Balance	Estimated Revenue	Estimated Net Transfers	Estimated Expenditures	Ending Balance
GROUP 04: PLEDGED FUNDS (concluded)						
7354 0000	TPFA Revenue Refunding Series 2017 THC Interest and Sinking Fund	\$ 0	\$ 0	\$ 551	\$ 551	\$ 0
7356 0000	TPFA Lease Revenue and Refunding (TFC Project) Tax-Exempt Interest and Sinking Fund	0	1	20,690	20,690	1
7516 0000	TPFA Lease Revenue and Refunding (TFC Project) Tax-Exempt Project Fund	111,620	720	240,720	275,923	77,137
7800 0000	TPFA Revenue Commercial Paper Series 2016 A&B TFC Project Fund	9,362	26	26	8,608	806
7802 0000	TPFA Revenue Commercial Paper Series 2019A (HHSC Deferred Maintenance) Project Fund	0	38	57,841	47,892	9,987
Total Group 4		\$ 1,063,075	\$ 3,320,490	\$ 18,169,103	\$ 22,285,202	\$ 267,466
GROUP 05: CONSTITUTIONAL NONEXPENDABLE FUNDS						
0044 0000	Permanent School Fund	3,209,443	1,004,485	(2,475,572)	99,827	1,638,529
0045 0000	Permanent University Fund	528	594,918	(594,716)	0	730
Total Group 5		\$ 3,209,971	\$ 1,599,403	\$ (3,070,288)	\$ 99,827	\$ 1,639,259
GROUP 12: RESTRICTED FUNDS						
0001 5044	GR Account – Permanent Fund for Health And Tobacco Education and Enforcement	1,573	425	(629)	425	944
0001 5045	GR Account – Permanent Fund for Children and Public Health	302	213	(213)	213	89
0001 5046	GR Account – Permanent Fund for Emergency Medical Services and Trauma Care	1,165	213	(213)	213	952
0001 5047	GR Account – Permanent Fund for Rural Health Facility Capital Improvement	2,447	1,701	0	1,984	2,164
0001 5048	GR Account – Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease	96	850	(451)	451	44
0001 5149	GR Account – BP Oil Spill Texas Response Grant	109	0	0	0	109
Total Group 12		\$ 5,692	\$ 3,402	\$ (1,506)	\$ 3,286	\$ 4,302
TOTAL FOR ALL GROUPS		\$ 36,308,312	\$ 147,841,118	\$ (3,878,587)	\$ 155,531,199	\$ 24,739,644

Texas Biennial Revenue Estimate

Schedule III

Estimated Fund Balances of the General Revenue-Dedicated Accounts for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Ending Balance
3.1 - General Revenue-Dedicated Accounts Used for Certification				
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS				
0001	0009	GR Account – Game, Fish, and Water Safety	\$ 127,199	\$ 139,230
0001	0019	GR Account – Vital Statistics	19,066	18,519
0001	0027	GR Account – Coastal Protection	10,636	14,548
0001	0028	GR Account – Appraiser Registry	1	1
0001	0036	GR Account – Texas Department of Insurance Operating	177,782	160,517
0001	0064	GR Account – State Parks	66,168	69,048
0001	0088	GR Account – Low-Level Radioactive Waste	23,749	22,595
0001	0099	GR Account – Operators and Chauffeurs License	403	403
0001	0107	GR Account – Comprehensive Rehabilitation	1,642	1,642
0001	0108	GR Account – Private Beauty Culture School Tuition Protection	202	202
0001	0116	GR Account – Texas Commission on Law Enforcement	10,094	5,971
0001	0129	GR Account – Hospital Licensing	26,410	26,237
0001	0151	GR Account – Clean Air	289,985	312,242
0001	0153	GR Account – Water Resource Management	66,312	68,426
0001	0158	GR Account – Watermaster Administration	2,230	2,704
0001	0165	GR Account – Unemployment Compensation Special Administration	27,939	22,898
0001	0225	GR Account – University of Houston Current	104,481	163,839
0001	0227	GR Account – Angelo State University Current	2,891	2,880
0001	0228	GR Account – University of Texas at Tyler Current	9,761	11,496
0001	0229	GR Account – University of Houston – Clear Lake Current	10,852	8,341
0001	0230	GR Account – Texas A&M University – Corpus Christi Current	11,943	11,405
0001	0231	GR Account – Texas A&M International University Current	13,333	14,677
0001	0232	GR Account – Texas A&M University – Texarkana Current	2,343	770
0001	0233	GR Account – University of Houston – Victoria Current	841	224
0001	0236	GR Account – University of Texas System Cancer Center Current	1,178	968
0001	0237	GR Account – Texas State Technical College System Current	8,784	9,647
0001	0238	GR Account – University of Texas at Dallas Current	20,800	13,422
0001	0239	GR Account – Texas Tech University Health Sciences Center Current	17,943	17,873
0001	0242	GR Account – Texas A&M University Current	6,641	0
0001	0243	GR Account – Tarleton State University Current	3,076	1,402
0001	0244	GR Account – University of Texas at Arlington Current	24,870	20,225
0001	0245	GR Account – Prairie View A&M University Current	17,574	14,664
0001	0246	GR Account – University of Texas Medical Branch at Galveston Current	0	0
0001	0247	GR Account – Texas Southern University Current	17,029	16,134
0001	0248	GR Account – University of Texas at Austin Current	122,365	103,032
0001	0249	GR Account – University of Texas at San Antonio Current	12,970	9,915
0001	0250	GR Account – University of Texas at El Paso Current	4,337	2,777
0001	0251	GR Account – University of Texas of the Permian Basin Current	13,500	14,277
0001	0252	GR Account – University of Texas Southwestern Medical Center Current	24,764	26,409
0001	0253	GR Account – Texas Woman's University Current	4,949	3,894
0001	0254	GR Account – Texas A&M University – Kingsville Current	8,708	3,991
0001	0255	GR Account – Texas Tech University Current	15,396	17,025
0001	0256	GR Account – Lamar University Current	6,485	5,735
0001	0257	GR Account – Texas A&M University – Commerce Current	3,681	1,674
0001	0258	GR Account – University of North Texas Current	10,406	6,463
0001	0259	GR Account – Sam Houston State University Current	21,040	22,822
0001	0260	GR Account – Texas State University Current	20,061	20,173
0001	0261	GR Account – Stephen F. Austin State University Current	2,068	437
0001	0262	GR Account – Sul Ross State University Current	1,845	1,695
0001	0263	GR Account – West Texas A&M University Current	1,614	364

Texas Biennial Revenue Estimate

Schedule III (continued)

Estimated Fund Balances of the General Revenue-Dedicated Accounts for Fiscal Year 2021

(Thousands of Dollars)

Fund Acct	Fund or Account Name	Beginning Balance	Ending Balance
3.1 - General Revenue-Dedicated Accounts Used for Certification (continued)			
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS (continued)			
0001 0264	GR Account – Midwestern State University Current	\$ 3,326	\$ 1,782
0001 0268	GR Account – University of Houston Downtown Current	999	1
0001 0271	GR Account – University of Texas Health Science Center at Houston Current	42,402	42,124
0001 0275	GR Account – Texas A&M University at Galveston Current	1,231	782
0001 0279	GR Account – University of Texas Health Science Center at San Antonio Current	8,464	4,215
0001 0280	GR Account – University of North Texas Health Science Center at Fort Worth Current	5,126	4,595
0001 0282	GR Account – University of Texas Health Center at Tyler Current	0	0
0001 0285	GR Account – Lamar State College Orange Current	1,922	2,977
0001 0286	GR Account – Lamar State College Port Arthur Current	2,488	2,445
0001 0287	GR Account – Lamar Institute of Technology Current	1,742	1,515
0001 0289	GR Account – Texas A&M University System Health Science Center Current	15,453	17,447
0001 0290	GR Account – Texas A&M University – San Antonio Current	9,521	8,325
0001 0291	GR Account – Texas A&M University – Central Texas Current	1,618	1,578
0001 0292	GR Account – University of North Texas – Dallas Current	4,401	3,926
0001 0293	GR Account – University of Texas – Rio Grande Valley Current	29,210	24,810
0001 0294	GR Account – Texas Tech University Health Sciences Center El Paso Current	6,376	3,889
0001 0334	GR Account – Commission on the Arts Operating	0	0
0001 0341	GR Account – Food and Drug Retail Fee	15,965	16,333
0001 0412	GR Account – Midwestern State University Special Mineral	0	0
0001 0450	GR Account – Coastal Public Lands Management Fee	764	787
0001 0453	GR Account – Disaster Contingency	373	373
0001 0467	GR Account – Texas Recreation and Parks	27,476	24,566
0001 0468	GR Account – Texas Commission on Environmental Quality Occupational Licensing	10,351	10,630
0001 0472	GR Account – Inaugural	100	100
0001 0492	GR Account – Business Enterprise Program	258	67
0001 0501	GR Account – Motorcycle Education	17,222	17,597
0001 0506	GR Account – Non-Game and Endangered Species Conservation	1,602	1,581
0001 0507	GR Account – State Lease	8,362	8,362
0001 0512	GR Account – Bureau of Emergency Management	5,300	5,087
0001 0524	GR Account – Public Health Services Fees	5,726	5,817
0001 0543	GR Account – Texas Capital Trust	4,085	1,364
0001 0544	GR Account – Lifetime License Endowment	27,878	29,105
0001 0549	GR Account – Waste Management	25,439	25,398
0001 0550	GR Account – Hazardous and Solid Waste Remediation Fees	34,193	28,824
0001 0570	GR Account – Federal Surplus Property Service Charge	6,539	6,627
0001 0581	GR Account – Bill Blackwood Law Enforcement Management Institute	1,653	1,050
0001 0597	GR Account – Texas Racing Commission	1,398	2,109
0001 0655	GR Account – Petroleum Storage Tank Remediation	103,633	95,079
0001 0664	GR Account – Texas Preservation Trust	756	1,256
0001 0679	GR Account – Artificial Reef	14,150	14,539
0001 5000	GR Account – Solid Waste Disposal Fees	117,026	122,946
0001 5003	GR Account – Hotel Occupancy Tax for Economic Development	98,946	98,946
0001 5004	GR Account – Parks and Wildlife Conservation and Capital	59,124	59,124
0001 5006	GR Account – Attorney General Law Enforcement	3,693	3,393
0001 5007	GR Account – Commission on State Emergency Communications	49,883	54,515
0001 5008	GR Account – Inaugural Endowment	84	84
0001 5009	GR Account – Children with Special Healthcare Needs	391	391
0001 5010	GR Account – Sexual Assault Program	36,361	28,784
0001 5012	GR Account – Crime Stoppers Assistance	988	995
0001 5013	GR Account – Breath Alcohol Testing	9,806	9,030

Texas Biennial Revenue Estimate

Schedule III (continued)

Estimated Fund Balances of the General Revenue-Dedicated Accounts for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Ending Balance
3.1 - General Revenue-Dedicated Accounts Used for Certification (continued)				
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS (continued)				
0001	5017	GR Account – Asbestos Removal Licensure	\$ 28,001	\$ 27,863
0001	5018	GR Account – Home Health Services	17,241	17,983
0001	5020	GR Account – Workplace Chemicals List	1,260	1,306
0001	5021	GR Account – Certification of Mammography Systems	3,943	3,710
0001	5022	GR Account – Oyster Sales	720	886
0001	5024	GR Account – Food and Drug Registration	39,831	40,374
0001	5029	GR Account – Center for Study and Prevention of Juvenile Crime and Delinquency	8,329	7,943
0001	5031	GR Account – Excess Benefit Arrangement, Teacher Retirement System	283	283
0001	5039	GR Account – Excess Benefit Arrangement, Employees Retirement System	246	246
0001	5040	GR Account – Tobacco Settlement	70,381	116,665
0001	5049	GR Account – State Owned Multicategorical Teaching Hospital	5,367	5,367
0001	5050	GR Account – 9-1-1 Service Fees	86,234	45,470
0001	5051	GR Account – Go Texan Partner Program	81	81
0001	5059	GR Account – Peace Officer Flag	9	16
0001	5060	GR Account – Private Sector Prison Industries	1,000	1,000
0001	5064	GR Account – Volunteer Fire Department Assistance	64,771	61,709
0001	5065	GR Account – Environmental Testing Laboratory Accreditation	991	918
0001	5066	GR Account – Rural Volunteer Fire Department Insurance	4,866	5,082
0001	5071	GR Account – Emissions Reduction Plan	1,952,168	2,092,288
0001	5073	GR Account – Fair Defense	38,860	32,039
0001	5080	GR Account – Quality Assurance	3,726	15,083
0001	5081	GR Account – Barber School Tuition Protection	25	25
0001	5083	GR Account – Correctional Management Institute and Criminal Justice Center	1,757	1,829
0001	5085	GR Account – Child Abuse Neglect and Prevention Trust	4,160	1,974
0001	5093	GR Account – Dry Cleaning Facility Release	22,583	21,836
0001	5094	GR Account – Operating Permit Fees	16,572	11,584
0001	5096	GR Account – Perpetual Care	7,553	7,977
0001	5101	GR Account – Subsequent Injury	84,518	86,236
0001	5103	GR Account – Texas B-On-Time Student Loan	137,959	137,959
0001	5105	GR Account – Public Assurance	2,644	2,210
0001	5106	GR Account – Economic Development Bank	13,083	10,076
0001	5108	GR Account – EMS, Trauma Facilities, Trauma Care Systems	22,012	21,822
0001	5111	GR Account – Designated Trauma Facility and EMS	59,796	102,110
0001	5125	GR Account – Childhood Immunization	221	243
0001	5128	GR Account – Employment And Training Investment Holding	374,872	1
0001	5136	GR Account – Cancer Prevention And Research	848	848
0001	5138	GR Account – Fire Prevention and Public Safety	49	49
0001	5139	GR Account – Historic Site	1,677	1,676
0001	5143	GR Account – Jobs and Education For Texans (JET)	1,149	1,149
0001	5144	GR Account – Physician Education Loan Repayment Program	82,631	67,684
0001	5150	GR Account – Large County and Municipal Recreation and Parks	17,176	17,176
0001	5151	GR Account – Low-Level Radioactive Waste Disposal Compact Commission	331	331
0001	5152	GR Account – Alamo Complex	5,084	2,575
0001	5153	GR Account – Emergency Radio Infrastructure	25,682	28,067
0001	5155	GR Account – Oil and Gas Regulation and Cleanup	139,225	125,133
0001	5158	GR Account – Environmental Radiation and Perpetual Care	6,816	3,622
0001	5164	GR Account – Truancy Prevention and Diversion	15,057	16,895
0001	5166	GR Account – Deferred Maintenance	66,131	0
0001	5168	GR Account – Cancer Prevention and Research Interest and Sinking	1,479	1,829
0001	5169	GR Account – Veterans Recovery	1	1

Texas Biennial Revenue Estimate

Schedule III (continued)

Estimated Fund Balances of the General Revenue-Dedicated Accounts for Fiscal Year 2021

(Thousands of Dollars)

Fund Acct	Fund or Account Name	Beginning Balance	Ending Balance
3.1 - General Revenue-Dedicated Accounts Used for Certification (concluded)			
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS (concluded)			
0001 5170	GR Account – Evidence Testing	\$ 1,728	\$ 1,652
0001 5172	GR Account – Prisoner Safety	644	644
0001 5173	GR Account – Texas Forensic Science Commission	133	143
0001 5174	GR Account – Drug Court	2,400	400
0001 5177	GR Account – Identification Fee Exemption	144	1,344
0001 5178	GR Account – State Hemp Program	358	1,082
0001 5184	GR Account – Specialty Court	1,017	2,823
0001 5185	GR Account – DNA Testing	60	4
0001 5186	GR Account – Transportation Administrative Fee	1,873	1,873
Total Group 1		\$ 5,669,907	\$ 5,368,297
GROUP 03: FEDERAL FUNDS			
0001 0037	GR Account – Federal Child Welfare Service	0	0
0001 0092	GR Account – Federal Disaster	9,966	6,615
0001 0118	GR Account – Federal Public Library Service	146	532
0001 0127	GR Account – Community Affairs Federal	30,762	59,858
0001 0148	GR Account – Federal Health, Education and Welfare	11,515	11,515
0001 0171	GR Account – Federal School Lunch	0	0
0001 0221	GR Account – Federal Civil Defense and Disaster Relief	111	247
0001 0222	GR Account – Department of Public Safety Federal	323	338
0001 0223	GR Account – Federal Land and Water Conservation	9	9
0001 0224	GR Account – Governor's Office Federal Projects	26,315	24,212
0001 0273	GR Account – Federal Health and Health Lab Funding Excess Revenue	32,058	45,630
0001 0421	GR Account – Criminal Justice Planning	31,777	1,096
0001 0449	GR Account – Texas Military Federal	11,199	16,719
0001 0454	GR Account – Federal Land Reclamation	413	413
0001 5026	GR Account – Workforce Commission Federal	31,218	48,629
0001 5041	GR Account – Railroad Commission Federal	10,289	10,278
0001 5091	GR Account – Office of Rural Community Affairs Federal	6,255	6,255
0001 5109	GR Account – Medicaid Recovery 42 U.S.C §1396p	0	0
Total Group 3		\$ 202,356	\$ 232,346
GROUP 04: PLEDGED FUNDS			
0001 0193	GR Account – Foundation School	738,398	0
Total Group 4		\$ 738,398	\$ 0
GROUP 12: RESTRICTED FUNDS			
0001 5044	GR Account – Permanent Fund for Health And Tobacco Education and Enforcement	1,573	944
0001 5045	GR Account – Permanent Fund for Children and Public Health	302	89
0001 5046	GR Account – Permanent Fund for Emergency Medical Services and Trauma Care	1,165	952
0001 5047	GR Account – Permanent Fund for Rural Health Facility Capital Improvement	2,447	2,164
0001 5048	GR Account – Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease	96	44
Total Group 12		\$ 5,583	\$ 4,193
TOTAL FOR ALL GROUPS		\$ 6,616,244	\$ 5,604,836

Schedule III (concluded)

Estimated Fund Balances of the General Revenue-Dedicated Accounts for Fiscal Year 2021

(Thousands of Dollars)

Fund	Acct	Fund or Account Name	Beginning Balance	Ending Balance
3.2 - General Revenue-Dedicated Accounts Not Used for Certification				
GROUP 01: GENERAL STATE OPERATING AND DISBURSING FUNDS				
0001	5005	GR Account – Oil Overcharge	\$ 81,507	\$ 76,021
0001	5025	GR Account – Lottery	141,921	90,979
0001	5107	GR Account – Texas Enterprise	259,980	243,561
0001	5157	GR Account – Statewide Electronic Filing System	20,777	25,177
0001	5161	GR Account – Governor’s University Research Initiative	67,686	52,430
Total Group 1			\$ 571,871	\$ 488,168
GROUP 02: CONSTITUTIONAL FUNDS				
0001	0469	GR Account – Compensation to Victims of Crime	43,689	18,476
0001	0494	GR Account – Compensation to Victims of Crime Auxiliary	8,250	6,592
0001	5114	GR Account – Texas Military Value Revolving Loan	69	70
Total Group 2			\$ 52,008	\$ 25,138
GROUP 03: FEDERAL FUNDS				
0001	5095	GR Account – Election Improvement	33,272	16,535
Total Group 3			\$ 33,272	\$ 16,535
GROUP 04: PLEDGED FUNDS				
0001	0540	GR Account – Judicial and Court Personnel Training	5,986	7,243
Total Group 4			\$ 5,986	\$ 7,243
GROUP 12: RESTRICTED FUNDS				
0001	5149	GR Account – BP Oil Spill Texas Response Grant	109	109
Total Group 12			\$ 109	\$ 109
TOTAL FOR ALL GROUPS			\$ 663,246	\$ 537,193

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Revenue Estimating Division
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Austin, Texas 78774-0100

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
DEFENDANTS' MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

U.S. Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds – Allocation
for States

EXHIBIT A-4

State	Total Funding	Funding Based on Average Number of Unemployed	Funding from Even Distribution	CRF Top Up
Alabama	\$2,120,279,417.00	\$1,620,279,417.00	\$500,000,000.00	\$0.00
Alaska	\$1,011,788,220.00	\$511,788,220.00	\$500,000,000.00	\$0.00
Arizona	\$4,182,827,491.60	\$3,682,827,491.60	\$500,000,000.00	\$0.00
Arkansas	\$1,573,121,580.80	\$1,073,121,580.80	\$500,000,000.00	\$0.00
California	\$27,017,016,860.10	\$26,517,016,860.10	\$500,000,000.00	\$0.00
Colorado	\$3,828,761,789.90	\$3,328,761,789.90	\$500,000,000.00	\$0.00
Connecticut	\$2,812,288,081.60	\$2,312,288,081.60	\$500,000,000.00	\$0.00
Delaware	\$924,597,608.00	\$424,597,608.00	\$500,000,000.00	\$0.00
District of Columbia	\$1,802,441,116.20	\$547,579,179.80	\$500,000,000.00	\$754,861,936.40
Florida	\$8,816,581,838.70	\$8,316,581,838.70	\$500,000,000.00	\$0.00
Georgia	\$4,853,535,459.70	\$4,353,535,459.70	\$500,000,000.00	\$0.00
Hawaii	\$1,641,602,609.60	\$1,141,602,609.60	\$500,000,000.00	\$0.00
Idaho	\$1,094,018,353.40	\$594,018,353.40	\$500,000,000.00	\$0.00
Illinois	\$8,127,679,948.70	\$7,627,679,948.70	\$500,000,000.00	\$0.00
Indiana	\$3,071,830,673.20	\$2,571,830,673.20	\$500,000,000.00	\$0.00
Iowa	\$1,480,862,558.00	\$980,862,558.00	\$500,000,000.00	\$0.00
Kansas	\$1,583,680,553.30	\$1,083,680,553.30	\$500,000,000.00	\$0.00
Kentucky	\$2,183,237,290.90	\$1,683,237,290.90	\$500,000,000.00	\$0.00
Louisiana	\$3,011,136,886.60	\$2,511,136,886.60	\$500,000,000.00	\$0.00
Maine	\$997,495,130.10	\$497,495,130.10	\$500,000,000.00	\$0.00
Maryland	\$3,717,212,336.40	\$3,217,212,336.40	\$500,000,000.00	\$0.00
Massachusetts	\$5,286,067,526.40	\$4,786,067,526.40	\$500,000,000.00	\$0.00
Michigan	\$6,540,417,626.70	\$6,040,417,626.70	\$500,000,000.00	\$0.00
Minnesota	\$2,833,294,345.30	\$2,333,294,345.30	\$500,000,000.00	\$0.00
Mississippi	\$1,806,373,345.90	\$1,306,373,345.90	\$500,000,000.00	\$0.00
Missouri	\$2,685,296,130.80	\$2,185,296,130.80	\$500,000,000.00	\$0.00
Montana	\$906,418,527.00	\$406,418,527.00	\$500,000,000.00	\$0.00
Nebraska	\$1,040,157,440.40	\$540,157,440.40	\$500,000,000.00	\$0.00
Nevada	\$2,738,837,228.70	\$2,238,837,228.70	\$500,000,000.00	\$0.00
New Hampshire	\$994,555,877.60	\$494,555,877.60	\$500,000,000.00	\$0.00
New Jersey	\$6,244,537,955.50	\$5,744,537,955.50	\$500,000,000.00	\$0.00
New Mexico	\$1,751,542,835.00	\$1,251,542,835.00	\$500,000,000.00	\$0.00
New York	\$12,744,981,589.00	\$12,244,981,589.00	\$500,000,000.00	\$0.00
North Carolina	\$5,439,309,692.20	\$4,939,309,692.20	\$500,000,000.00	\$0.00
North Dakota	\$1,007,502,515.00	\$507,502,515.00	\$500,000,000.00	\$0.00
Ohio	\$5,368,386,901.00	\$4,868,386,901.00	\$500,000,000.00	\$0.00
Oklahoma	\$1,870,417,575.70	\$1,370,417,575.70	\$500,000,000.00	\$0.00
Oregon	\$2,648,024,988.20	\$2,148,024,988.20	\$500,000,000.00	\$0.00
Pennsylvania	\$7,291,328,098.40	\$6,791,328,098.40	\$500,000,000.00	\$0.00
Rhode Island	\$1,131,061,056.70	\$631,061,056.70	\$500,000,000.00	\$0.00
South Carolina	\$2,499,067,328.50	\$1,999,067,328.50	\$500,000,000.00	\$0.00
South Dakota	\$974,478,793.00	\$474,478,793.00	\$500,000,000.00	\$0.00
Tennessee	\$3,725,832,113.00	\$3,225,832,113.00	\$500,000,000.00	\$0.00
Texas	\$15,814,388,615.00	\$15,314,388,615.00	\$500,000,000.00	\$0.00
Utah	\$1,377,866,887.60	\$877,866,887.60	\$500,000,000.00	\$0.00
Vermont	\$1,049,287,303.00	\$549,287,303.00	\$500,000,000.00	\$0.00
Virginia	\$4,293,727,162.20	\$3,793,727,162.20	\$500,000,000.00	\$0.00
Washington	\$4,427,709,355.90	\$3,927,709,355.90	\$500,000,000.00	\$0.00
West Virginia	\$1,355,489,988.00	\$855,489,988.00	\$500,000,000.00	\$0.00
Wisconsin	\$2,533,160,626.50	\$2,033,160,626.50	\$500,000,000.00	\$0.00
Wyoming	\$1,068,484,768.00	\$568,484,768.00	\$500,000,000.00	\$0.00
TOTAL	\$195,300,000,000.00	\$169,045,138,063.60	\$25,500,000,000.00	\$754,861,936.40

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 1 – General Appropriations Act – Eighty-seventh Legislature (excerpts)

EXHIBIT A-5

Chapter 1053

S.B. No. 1
General Appropriations Act
Eighty-seventh Legislature

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**RECAPITULATION - ALL ARTICLES
(General Revenue)**

	For the Years Ending	
	August 31, 2022	August 31, 2023
ARTICLE I - General Government	\$ 2,197,940,933	\$ 1,866,401,230
ARTICLE II - Health and Human Services	17,183,698,693	17,107,699,825
ARTICLE III - Agencies of Education	31,263,682,104	31,481,378,606
ARTICLE IV - The Judiciary	276,087,308	275,479,042
ARTICLE V - Public Safety and Criminal Justice	6,085,692,235	5,969,269,581
ARTICLE VI - Natural Resources	513,723,554	488,361,551
ARTICLE VII - Business and Economic Development	244,986,142	245,065,474
ARTICLE VIII - Regulatory	152,652,736	149,065,948
ARTICLE IX - General Provisions	57,884,790	398,927,544
ARTICLE X - The Legislature	198,955,736	211,224,746
GRAND TOTAL, General Revenue	<u>\$ 58,175,304,231</u>	<u>\$ 58,192,873,547</u>

**RECAPITULATION - ALL ARTICLES
(General Revenue-Dedicated)**

	For the Years Ending	
	August 31, 2022	August 31, 2023
ARTICLE I - General Government	\$ 386,181,196	\$ 222,939,427
ARTICLE II - Health and Human Services	278,804,718	279,263,247
ARTICLE III - Agencies of Education	1,403,338,034	1,402,735,845
ARTICLE IV - The Judiciary	101,476,124	91,274,079
ARTICLE V - Public Safety and Criminal Justice	25,211,179	25,272,970
ARTICLE VI - Natural Resources	609,408,904	556,402,326
ARTICLE VII - Business and Economic Development	306,001,554	293,528,761
ARTICLE VIII - Regulatory	166,364,413	163,654,548
ARTICLE IX - General Provisions	2,171,886	1,190,386
ARTICLE X - The Legislature	0	0
GRAND TOTAL, General Revenue-Dedicated	<u>\$ 3,278,958,008</u>	<u>\$ 3,036,261,589</u>

**RECAPITULATION - ALL ARTICLES
(Federal Funds)**

	For the Years Ending	
	August 31, 2022	August 31, 2023
ARTICLE I - General Government	\$ 648,188,994	\$ 595,555,677
ARTICLE II - Health and Human Services	25,460,012,233	25,202,198,711
ARTICLE III - Agencies of Education	5,888,218,883	5,826,152,805
ARTICLE IV - The Judiciary	2,255,162	2,255,162
ARTICLE V - Public Safety and Criminal Justice	334,780,114	290,145,020
ARTICLE VI - Natural Resources	3,001,762,880	1,858,184,051
ARTICLE VII - Business and Economic Development	6,970,100,090	7,029,236,134
ARTICLE VIII - Regulatory	4,732,499	4,771,327
ARTICLE IX - General Provisions	1,572,406,500	76,145,652
ARTICLE X - The Legislature	0	0
GRAND TOTAL, Federal Funds	<u>\$ 43,882,457,355</u>	<u>\$ 40,884,644,539</u>

**RECAPITULATION - ALL ARTICLES
(Other Funds)***

	For the Years Ending	
	August 31, 2022	August 31, 2023
ARTICLE I - General Government	\$ 504,258,281	\$ 498,116,587
ARTICLE II - Health and Human Services	569,650,154	596,666,594
ARTICLE III - Agencies of Education	8,298,608,467	7,941,476,589
ARTICLE IV - The Judiciary	89,100,856	90,318,022
ARTICLE V - Public Safety and Criminal Justice	87,508,557	74,513,457
ARTICLE VI - Natural Resources	262,549,537	217,161,568
ARTICLE VII - Business and Economic Development	10,963,477,558	10,494,400,482
ARTICLE VIII - Regulatory	34,872,247	51,924,773
ARTICLE IX - General Provisions	172,710,604	153,860,130
ARTICLE X - The Legislature	101,425	101,425
GRAND TOTAL, Other Funds	<u>\$ 20,982,837,686</u>	<u>\$ 20,118,539,627</u>

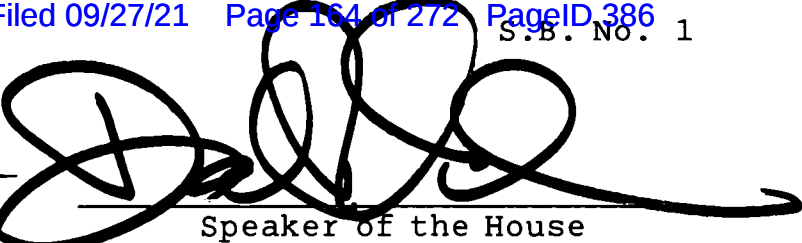
* Excludes interagency contracts

**RECAPITULATION - ALL ARTICLES
(All Funds)***

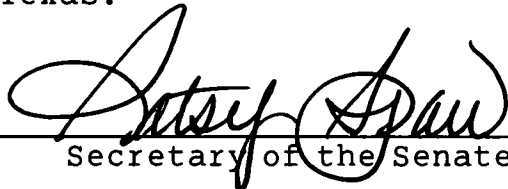
	For the Years Ending	
	August 31, 2022	August 31, 2023
ARTICLE I - General Government	\$ 3,736,569,404	\$ 3,183,012,921
ARTICLE II - Health and Human Services	43,492,165,798	43,185,828,377
ARTICLE III - Agencies of Education	46,853,847,488	46,651,743,845
ARTICLE IV - The Judiciary	468,919,450	459,326,305
ARTICLE V - Public Safety and Criminal Justice	6,533,192,085	6,359,201,028
ARTICLE VI - Natural Resources	4,387,444,875	3,120,109,496
ARTICLE VII - Business and Economic Development	18,484,565,344	18,062,230,851
ARTICLE VIII - Regulatory	358,621,895	369,416,596
ARTICLE IX - General Provisions	1,805,173,780	630,123,712
ARTICLE X - The Legislature	199,057,161	211,326,171
GRAND TOTAL, All Funds	<u>\$ 126,319,557,280</u>	<u>\$ 122,232,319,302</u>
Number of Full-Time-Equivalents (FTE) - Appropriated Funds	216,071.2	215,848.1

* Excludes interagency contracts

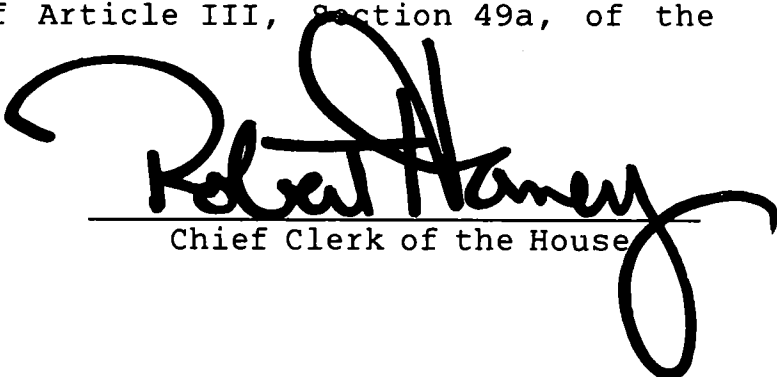

President of the Senate


Speaker of the House

I hereby certify that S.B. No. 1 passed the Senate on April 6, 2021, by the following vote: Yeas 31, Nays 0; April 26, 2021, Senate refused to concur in House amendments and requested appointment of Conference Committee; April 27, 2021, House granted request of the Senate; May 26, 2021, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0; passed subject to the provisions of Article III, Section 49a, of the Constitution of Texas.


Secretary of the Senate

I hereby certify that S.B. No. 1 passed the House, with amendments, on April 22, 2021, by the following vote: Yeas 149, Nays 0, zero present not voting; April 27, 2021, House granted request of the Senate for appointment of Conference Committee; May 27, 2021, House adopted Conference Committee Report by the following vote: Yeas 142, Nays 6, zero present not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of Texas.


Chief Clerk of the House

Approved:

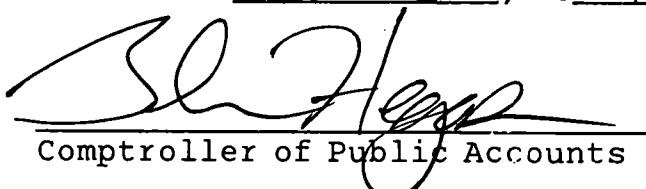
6-18-21

Date


Governor

I, Glenn Hegar, Comptroller of Public Accounts, do hereby certify that the amounts appropriated in the herein S.B. No. 1, Regular Session, 87th Legislature, are within the amount estimated to be available in the affected fund.

Certified June 8, 2021.


Comptroller of Public Accounts

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

6 pm O'CLOCK

JUN 18 2021


Secretary of State

PROCLAMATION
BY THE
Governor of the State of Texas
41-3844

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Senate Bill No. 1, the General Appropriations Act, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for action.

I am proud to sign a budget that does not grow government in an amount greater than the increase in population and inflation while also making targeted investments in areas such as public education, foster care, law enforcement, border security, pension solvency, and broadband access.

However, I hereby object to and veto the following items from Senate Bill No. 1, and include a statement of my objections to each of those items.

Article X – The Legislature

Senate

	<u>2022</u>	<u>2023</u>
A.1.1. Strategy: SENATE	\$34,422,614	\$37,291,165

3. Unexpended Balances. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the Senate are appropriated to the Senate for the same purposes for the biennium beginning September 1, 2021.

~~Any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the Senate are appropriated for the same purposes for the fiscal year beginning September 1, 2022.~~

House of Representatives

	<u>2022</u>	<u>2023</u>
A.1.1. Strategy: HOUSE OF REPRESENTATIVES	\$43,098,410	\$48,600,335

3. Unexpended Balances. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the House of Representatives are appropriated to the House of Representatives for the same purposes for the biennium beginning September 1, 2021.

~~Any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the House of Representatives are appropriated for the same purposes for the fiscal year beginning September 1, 2022.~~

Legislative Budget Board

	<u>2022</u>	<u>2023</u>
A.1.1. Strategy: LEGISLATIVE BUDGET BOARD	\$13,178,999	\$13,178,998

2. Unexpended Balance. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the Legislative Budget Board are appropriated to the Legislative Budget Board for the same purposes for the biennium beginning September 1, 2021.

~~Any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the Legislative Budget Board are appropriated to the Legislative Budget Board for the same purposes for the fiscal year beginning September 1, 2022.~~

Legislative Council

	2022	2023
A.1.1. Strategy: LEGISLATIVE COUNCIL	\$40,205,883	\$43,556,374

2. Unexpended Balances. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the Legislative Council are appropriated to the Legislative Council for the same purposes for the biennium beginning September 1, 2021.

Any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the Legislative Council are appropriated to the Legislative Council for the same purposes for the fiscal year beginning September 1, 2022.

Commission on Uniform State Laws

	2022	2023
A.1.1. Strategy: COMMISSION ON UNIFORM STATE LAWS	\$143,958	\$143,958

2. Unexpended Balances. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the Commission on Uniform State Laws are appropriated to the Commission on Uniform State Laws for the same purposes for the biennium beginning September 1, 2021.

Any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the Commission on Uniform State Laws are appropriated to the Commission on Uniform State Laws for the same purposes for the fiscal year beginning September 1, 2022.

Sunset Advisory Commission

	2022	2023
A.1.1. Strategy: SUNSET ADVISORY COMMISSION	\$2,268,722	\$2,268,722

1. Unexpended Balances. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the Sunset Advisory Commission are appropriated to the Sunset Advisory Commission for the same purposes for the biennium beginning September 1, 2021.

Any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the Sunset Advisory Commission are appropriated to the Sunset Advisory Commission for the same purposes for the fiscal year beginning September 1, 2022.

2. Appropriation to Sunset Advisory Commission Account. The money that an entity is required by law to pay to the Sunset Advisory Commission to cover the costs the commission incurs in performing a review of the entity is appropriated to the commission for maintaining the operations of the commission.

State Auditor’s Office

	2022	2023
A.1.1. Strategy: STATE AUDITOR	\$21,802,403	\$21,802,402

2. Appropriation of Appropriated Receipts. All funds reimbursed to the State Auditor's Office (SAO) by governmental entities for the provision of services are appropriated to the SAO during the fiscal year in which they are received and shall be used as provided by Government Code, Chapter 321.

3. Unexpended Balances. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the State Auditor's Office (SAO) from the General Revenue Fund are appropriated to the SAO for the same purposes for the biennium beginning September 1, 2021.

Any unobligated and unexpended balance remaining as of August 31, 2022, from appropriations made to the SAO from the General Revenue Fund are appropriated to the SAO for the same purposes for the fiscal year beginning September 1, 2022.

Legislative Reference Library

	2022	2023
A.1.1. Strategy: LEGISLATIVE REFERENCE LIBRARY	\$1,735,750	\$1,735,750

2. Unexpended Balances. Any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to the Legislative Reference Library from the General Revenue Fund are appropriated for the same purposes for the biennium beginning September 1, 2021.

~~Any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the Legislative Reference Library from the General Revenue Fund are appropriated for the same purposes for the fiscal year beginning September 1, 2022.~~

Texans don't run from a legislative fight, and they don't walk away from unfinished business. Funding should not be provided for those who quit their job early, leaving their state with unfinished business and exposing taxpayers to higher costs for an additional legislative session. I therefore object to and disapprove of these appropriations.

I have signed Senate Bill No. 1 together with this proclamation, stating my objections in accordance with Article IV, Section 14, of the Texas Constitution.

Since the 87th Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I
have signed my name officially
and caused the Seal of the State to
be affixed hereto at Austin, this
18th day of June, 2021.

A handwritten signature in black ink, reading "Greg Abbott", written over a horizontal line.

GREG ABBOTT
Governor of Texas

ATTESTED BY:

A handwritten signature in black ink, reading "Jose A. Esparza", written over a horizontal line.

JOSE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
6:00 PM O'CLOCK

JUN 18 2021

A handwritten signature in black ink, appearing to be "JE", written below the date stamp.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

FY 21-22 Total State Budget Summary

EXHIBIT A-6

FY 21-22 Total State Budget Summary

As the Bills Left the House

Prepared by the House Fiscal Division - May 19, 2021

Available State General Fund Forecast

Official forecast adopted by REC on January 19, 2021 = \$9,567,300,000

Reengrossed bill versions = \$9,567,300,000 (REC increased the forecast by \$320.2M on May 18, 2021)

- **\$8.8 B** - General Operating Appropriations
- **\$0** - Ancillary Operating Appropriations
- **\$525.4 M** - Non-Appropriated Requirements
- **\$161.5 M** - Judicial Appropriations
- **\$73.6 M** - Legislative Appropriations
- **\$0** - Capital Outlay (HB2 Re-Reengrossed)

Funding by Means of Finance: FY21 Existing vs. FY22 Reengrossed

Means of Finance	FY21 Existing Budget	FY22 Reengrossed	Change from FY21 to FY22	
State General Fund	\$9,313,994,979	\$9,567,300,000	\$253,305,021	2.7%
Interagency Transfers	\$2,391,134,866	\$1,826,347,164	(\$564,787,702)	(23.6%)
Fees & Self-gen Rev	\$4,845,767,080	\$5,241,912,624	\$396,145,544	8.2%
Statutory Dedications	\$5,879,091,259	\$5,694,487,249	(\$184,604,010)	(3.1%)
Federal	\$18,055,592,188	\$19,551,163,031	\$1,495,570,843	8.3%
Total	\$40,485,580,372	\$41,881,210,068	\$1,395,629,696	3.4%

Significant State General Fund Changes

- **\$79.5M** to the Department of Education for the MFP for a pay increase for teachers and support staff (\$800 per certificated teacher, \$400 for support staff)
- **\$56.4M** for Higher Education to increase formula funding and statewide services costs (\$31.1M), provide for a Faculty pay increase (\$19.8M), and support specialized institutions (\$5.5M)
- **\$23.2M** for LOSFA scholarship programs (\$12.2 to fully fund TOPS, \$11M for Go Grants)
- **\$35.6M** to Department of Corrections for personnel services, supplies, and offender medical expenses, issues typically addressed each year in the supplemental bill
- **\$23.8M** for local housing of state adult offenders
- **\$25.3M** for net statewide adjustments (including but not limited to civil service market rate, group insurance, related benefits, risk management, legislative auditor fees, rent in state owned building, and Office of Technology Services (OTS) adjustments)
- **\$11.5M** for annual maintenance and support for the Louisiana Wireless Information Network (LWIN)
- **\$6.3M** for foster care board rates, adoption subsidies, and guardianship subsidies (plus \$5.6M in additional federal funds)

Federal Funds

- **\$924.5M** from the American Rescue Plan (ARP) Act: Federal-Coronavirus State Fiscal Recovery Fund \$400M Unemployment (FED), \$300M Water (SD), \$55M Ports (SD), \$50M Nonprofits (SD), \$10M Loggers (SD), \$4.5M Save Our Screens (SD); Federal-Coronavirus Capital Project Fund \$90M Broadband (SD), \$15M Cap. Tech. Enh. Fund (SD)
- **\$314M** in savings due to additional enhanced FMAP matching rates to fund services

Funding by Means of Finance: FY22 Original vs. FY22 Reengrossed

Means of Finance	FY22 Original	FY22 Reengrossed	Change from FY22 Original to FY22 Reengrossed	
State General Fund	\$9,596,777,165	\$9,567,300,000	(\$29,477,165)	(0.3%)
Interagency Transfers	\$1,813,596,501	\$1,826,347,164	\$12,750,663	0.7%
Fees & Self-gen Rev	\$5,065,634,892	\$5,241,912,624	\$176,277,732	3.5%
Statutory Dedications	\$5,124,847,758	\$5,694,487,249	\$569,639,491	11.1%
Federal	\$18,641,323,775	\$19,551,163,031	\$909,839,256	4.9%
Total	\$40,242,180,091	\$41,881,210,068	\$1,639,029,977	4.1%

Significant Amendments to HB 1 in the House

- **\$924.5M** from the American Rescue Plan (ARP) Act: Federal-Coronavirus State Fiscal Recovery Fund \$400M Unemployment (FED), \$300M Water (SD), \$55M Ports (SD), \$50M Nonprofits (SD), \$10M Loggers (SD), \$4.5M Save Our Screens (SD); Federal-Coronavirus Capital Projects Fund \$90M Broadband (SD), \$15M Capitol Technology Enhancement Fund (SD)
- **\$274M** (FED) additional federal relief funding from CRRSA and ARP Acts for COVID-19 testing, vaccine initiatives, and screening in schools in the Office of Public Health
- **\$52M** (SD & FED) for rate increases to providers of individuals with developmental disabilities
- **\$21.2M** (FED) for mental health and substance abuse prevention and treatment in the Office of Behavioral Health
- **\$15M** (SD) from the State Emergency Response Fund for emergency response efforts in GOHSEP
- **\$11.9M** (SGF & FED) for foster care board rates, adoption subsidies, and guardianship subsidies
- **\$5.8M** (SGF & FED) for 500 additional Community Choice Waiver slots
- **\$3.6M** (SGF) for the LSU Agricultural Center for operating expenses
- **\$3.4M** (SD & FED) from CARES Act and LA State Parks Improvement and Repair Fund for permanent sewage connections at nine state parks
- **\$2.3M** (SGF) to the Department of Education for the MFP to fully fund pay increase for teachers and support staff (\$800 per certificated teacher, \$400 for support staff)
- **(\$23.8M)** reduces LDH funding for the Payments to Private Providers Program
- **(\$2.4M)** (FSGR) removed all funding and authorized positions (20) in the Office of Charitable Gaming
- **(\$1.4M)** (SGF) reduces savings realized by paying off financed equipment and vehicles in FY 21
- Language amendments: restricting changes for the personal services expenditure category (salaries, related benefits, and other compensation); requiring monthly reports from DOA to JLCB regarding COVID monies and expenditures; requiring JLCB approval prior to Secretary of State purchasing any voting equipment; and encouraging LDH to look at alternative hospital supplemental payment methods
- Spreads Higher Education's State General Fund directly to the higher education institutions
- Creates separate sections to identify federal relief funds within an agency's budget

App.169

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
DEFENDANTS' MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

March 16, 2021 Letter from State Attorneys General to Secretary Janet L. Yellen

EXHIBIT A-7



Office of the Attorney General
State of Georgia



Office of the Attorney General
State of Arizona



Office of the Attorney General
State of West Virginia

March 16, 2021

VIA EMAIL & U.S. MAIL

The Honorable Janet L. Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220
(202) 622-1100
correspondence@treasury.gov

**Re: Treasury Action to Prevent Unconstitutional Restriction on State's
Fiscal Policy through American Rescue Plan Act of 2021**

Dear Secretary Yellen:

The undersigned State Attorneys General request that the Department of the Treasury take immediate action to confirm that certain provisions of the American Rescue Plan Act (the “Act”) do not attempt to strip States of their core sovereign authority to enact and implement basic tax policy. Those provisions, found in section 9901 of the Act,¹ forbid States from using COVID-19 relief funds to “directly or indirectly offset a reduction in ... net tax revenue” resulting from state laws or regulations that reduce tax burdens—whether by cutting rates or by giving rebates, deductions, credits, “or otherwise[.]”² This language could be read to deny States the ability to cut taxes in any manner whatsoever—even if they would have provided such tax relief with or without the prospect of COVID-19 relief funds. Absent a more sensible interpretation from your department, this provision would amount to an unprecedented and unconstitutional intrusion on the separate sovereignty of the States through federal usurpation of essentially *one half* of the State’s fiscal ledgers (*i.e.*, the revenue half). Indeed, such federal usurpation of state tax policy would represent the greatest attempted invasion of state sovereignty by Congress in the history of our Republic.

¹ <https://www.congress.gov/117/bills/hr1319/BILLS-117hr1319enr.pdf>.

² *Id.* at pp. 1319-223.

Letter to Secretary Janet L. Yellen

March 16, 2021

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Section 9901 of the American Rescue Plan Act, which amends sections 602 and 603 of the Social Security Act, explains what States may and may not use COVID-19 recovery funds for. Most pertinent here, subsection 602(c)(2)(A) (the “Tax Cut Prohibition”) prohibits the States from “us[ing] the funds provided under this section ... to either *directly or indirectly* offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.”³ States must certify that they will use any COVID-19 relief funds provided under the Act “in compliance with subsection (c) of this section[.]” and if a State fails to comply, the Act requires the State to repay the funds in “an amount equal to the amount of funds used in violation of such subsection[.]”⁴

The import of the Act’s prohibition against “offsetting” reductions in state tax revenue is unclear, but potentially breathtaking. This provision might have been intended merely to prohibit States from *expressly* taking COVID-19 relief funds and rolling them directly into a tax cut of a similar amount. But its prohibition on “indirectly” offsetting reductions in tax revenue, combined with the list of prohibited kinds of tax reductions (rate cuts, rebates, deductions, credits, or “otherwise”), could also be read to prohibit tax cuts or relief of any stripe, even if wholly unrelated to and independent of the availability of relief funds. After all, money is fungible, and States must balance their budgets. So, in a sense, *any* tax relief enacted by a state legislature after the State has received relief funds could be viewed as “using” those funds as an “offset” that allows the State to provide that tax relief.

Several real and hypothetical examples of state tax policy sharpen this troubling point:

- Arizona voters at the 2020 election voted for a large tax increase related to education that has nothing to do with COVID-19 and the Arizona Legislature may seek to provide an alternative tax structure for small businesses—again having nothing to do with COVID-19 or the federal funds.
- Arizona is phasing out law-enforcement fees on vehicle registration renewals.

³ “Covered period” is defined in Section 602(g)(1) as the period that begins on March 3, 2021, and “ends on the last day of the fiscal year of such State ... in which all funds received by the State ... from a payment made under this section or a transfer made under section 603(c)(4) have been expended or returned to, or recovered by, the Secretary.”

⁴ It further provides that “in the case of a violation of subsection (c)(2)(A), the amount the State ... shall be required to repay shall be the lesser of—(1) the amount of the applicable reduction to net tax revenue attributable to such violation; and (2) the amount of funds received by such State ... pursuant to a payment made under this section or a transfer made under section 603(c)(4).”

Letter to Secretary Janet L. Yellen

March 16, 2021

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- During the current legislative session and prior to the passage of the Act, Georgia's House of Representatives passed a bill, now under consideration by its Senate, that would extend a tax credit for families who adopt a child out of foster care.
- Also during the current legislative session and prior to the passage of the Act, Georgia's House of Representatives passed a bill that raises the standard deduction, which would provide Georgians with an estimated \$140 million in state income tax relief that largely benefits those of lower to middle incomes.
- The West Virginia Legislature is considering a bill to extend the Neighborhood Investment Tax Credit (a charitable program) and increase the annual tax credit cap from \$3 million to \$5 million. These changes are projected to reduce West Virginia tax revenue by roughly \$2 million per year in future years.
- Another bill in West Virginia would expand a limited aircraft repair and maintenance sales tax exemption to all such activities. This change will result in a small reduction in sales tax collections.
- Alabama legislators are currently considering legislation that would allow tax exemptions for organizations that provide care for the sick and terminally ill, offer services for children who are victims of sexual or physical abuse, furnish new homes for victims of natural disasters, and respond to emergencies and provide life-saving, rescue, and first-aid services; tax deductions that would benefit people with special needs and enable citizens to purchase storm shelters to protect their families from tornadoes; and tax credits for hospitals and universities engaged in research and development beneficial to society.
- The Indiana General Assembly is considering a tax credit for donations to public school foundations as well as a tax credit for donations to qualified foster care organizations. It is also considering various sales tax exemptions for purchases such as public safety equipment.
- Kansas is considering decoupling part of its income tax code from the federal tax code, to end a state-level income tax increase caused by pass-through changes from prior federal tax law revisions.
- Kansas is considering giving property or income tax deferrals or credits to small businesses impacted by closure orders during the COVID-19 pandemic.

Letter to Secretary Janet L. Yellen

March 16, 2021

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- Under bipartisan legislation proposed in Kentucky, homeowners in a proposed tax increment financing district meant to revitalize a predominantly minority area of Louisville hurt by decades of disinvestment would pay property taxes for the next three decades based on their property's assessed value this year. And a housing developer would be able to defer 80% of its annual property taxes, up to \$7.64 million, to offset construction costs.
- Montana's Legislature is considering a very slight income tax cut for most income earners.
- Montana's Legislature is also considering increasing its current education tax credit for families.
- In Oklahoma, a bill has passed the House that would, among other things, restore the refundability of the state's Earned Income Tax Credit.
- Suppose a property decreases in value resulting in a decrease of legally assessed value, and the state keeps the assessed tax *rate* consistent—which results in a decrease in assessed *tax amount*.
- Similarly, suppose a property increases in value, but the State decreases the assessed rate such that the amount of tax assessed remains unchanged.
- Assume that projected state revenue is set to increase 10%, and a state legislature adopts measures such that the state's revenue collection “only” increases 8%.

Not one of these common changes to state tax policy has any real or direct connection to the State's potential receipt of COVID-19 relief funds, yet each of them could be deemed a tax “rebate,” “deduction,” “credit,” or “otherwise” that could result in a “reduction in the net tax revenue” of the State. Thus, each of these otherwise lawful enactments could be construed as violations of the Act's prohibition on “offsetting” tax cuts.

Put aside the gross federal overreach inherent in trying to take state tax policy hostage in this way. If this expansive view of this provision were adopted, it would represent an unprecedented and unconstitutional infringement on the separate sovereignty of the States. When Congress attaches conditions to a States' receipt and use of federal funds, those conditions must (1) be placed “unambiguously[,]” (2) relate to “the federal interest” for which the spending program was established, (3) not violate other constitutional provisions, and (4) not contain a financial inducement “so coercive as to pass the point at which ‘pressure turns into compulsion.’” *See generally South Dakota v.*

Letter to Secretary Janet L. Yellen

March 16, 2021

Page 5

Dole, 483 U.S. 203, 207-208, 211 (1987); *National Federation of Independent Business v. Sebelius*, 567 U.S. 519 (2012). Spending conditions imposed on States that do not meet these requirements are not “necessary and proper” for exercising Congress’ spending power and also infringe on powers “reserved to” the States. U.S. Const. Art. I, Section 8, Clause 18; U.S. Const. Amd. X. The Act’s Tax Cut Prohibition violates these requirements.

First, if the Tax Cut Prohibition were interpreted to place any limits on how States could enact tax relief not directly connected to the relief funds provided by the Act, it would impose a hopelessly ambiguous condition on federal funding. The examples listed above make the point: how is a State to know, when accepting the relief funds, whether any of these kinds of commonplace and sensible tax relief measures are “indirectly” offset by COVID-19 relief funds? Is it enough that the funds help balance a state budget that *also* contains tax relief measures? What if the presence of relief funds in 2021’s budget effectively frees up funds to offer tax relief in 2022? Absent a clear and narrowing construction by Treasury regulation, States cannot possibly know the bargain they are striking in accepting the relief funds. Yet the “legitimacy of Congress’ power to legislate under the spending power ... rests on whether the State voluntarily and knowingly accepts the terms of the ‘contract.’” *Pennhurst State School and Hospital v. Halderman*, 451 U.S. 1, 17 (1981).

Second, for similar reasons, a maximalist construction of the Tax Cut Prohibition would result in federal conditions that do not relate to the federal interest for which the spending program was established: relief from the economic harms caused by COVID-19. It is one thing to require that coronavirus-stimulus-related money be spent on coronavirus-related stimulus. It is quite another, and beyond Congress’s Spending Power, to forbid States from providing tax relief *of any kind, for any reason*, merely to ensure that federal funds are spent for their intended purpose.

Third, a broad construction of the Tax Cut Prohibition would violate separation of powers and fundamental democratic principles, and would effectively commandeer half of the State’s fiscal ledgers, compelling States to adopt the one-way revenue ratchet of the current Congress for the next three years. For example, if citizens wish to lower their overall tax burden in the next two election cycles, they cannot elect a candidate for state office that could actually carry out such a policy. Similarly, elected officials who wish to spend more public funds would now have a ready excuse for why state surpluses cannot be used to cut taxes: Congress forbids that, so we “have” to spend it instead. Such a system would eliminate the democratic accountability that federalism serves to protect. *See, e.g., New York v. United States*, 505 U.S. 144, 169 (1992) (“Accountability is thus diminished when, due to federal coercion, elected state officials cannot regulate in accordance with the views of the local electorate[.]”). The upshot is that, for purposes of setting tax policy, there would now be a single sovereign in the United States: Congress.

Letter to Secretary Janet L. Yellen

March 16, 2021

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But fundamental to our Constitution is separate federal and state sovereigns, who can each set their own taxing policies based on their own independent legislatures.

In addition, a governor could—by mere stroke of a pen—accept the stimulus funds and thereby bind both (1) the legislature of that state and (2) his or her successor as governor from cutting any tax or tax assessment. Congress has no such power to intrude upon the democratic structures of the States, whose republican forms of government are guaranteed by Article IV. Notably, the 117th Congress cannot even bind the 118th Congress from enacting legislation contrary to its legislation. Yet a broad construction of the Tax Cut Prohibition would let the governors of the States in 2021 prohibit future state governors and legislatures from enacting revenue-reducing measures in 2024.

Fourth, the expansive view of the Tax Cut Prohibition is unconstitutionally coercive. No one could dispute that Congress cannot force States to pursue certain tax policies at the state level. *Cf. Sebelius*, 567 U.S. at 577 (plurality) (“‘[T]he Constitution has never been understood to confer upon Congress the ability to require the States to govern according to Congress’ instructions.’ Otherwise the two-government system established by the Framers would give way to a system that vests power in one central government, and individual liberty would suffer.” (quoting *New York*, 505 U.S. at 162)). Congress may not micromanage a State’s fiscal policies in violation of anti-commandeering principles nor coerce a State into forfeiting one of its core constitutional functions in exchange for a large check from the federal government. Such “economic dragooning” of the States cannot withstand constitutional scrutiny. *Id.* at 582.

Yet the Act arguably compels that result. The COVID-19 pandemic has wreaked economic havoc across much of the Nation, leaving many citizens in need of short-term financial support, and Congress determined that some of that support would flow through the States. Although some States have weathered the crisis better than others, it is difficult to envision many, if any, turning down this support for their citizens. For example, Arizona has an annual budget of around \$12.4 billion from its general fund, and the moneys from the State Recovery Fund are anticipated to be \$4.8 billion—40 percent of one year’s general fund budget. As another example, West Virginia’s share represents over 25% of one year’s budget. Many States put to the Hobson’s choice of taking this financial support or maintaining their sovereign independence to set their own tax policy will be hard pressed to decline the federal funds.

Given the foregoing, we ask that you confirm that the American Rescue Plan Act does not prohibit States from generally providing tax relief through the kinds of measures listed and discussed above and other, similar measures, but at most precludes *express* use of the funds provided under the Act for direct tax cuts rather than for the purposes specified by the Act. In the absence of such an assurance by March 23, we will take appropriate additional action to ensure that our States have the clarity and assurance

Letter to Secretary Janet L. Yellen

March 16, 2021

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necessary to provide for our citizens' welfare through enacting and implementing sensible tax policies, including tax relief. We look forward to hearing from you promptly. Please direct your response to joe.kanefield@azag.gov, and we will forward.⁵

Sincerely,

Mark Brnovich

Attorney General of Arizona

Christopher M. Carr

Attorney General of Georgia

Patrick Morrissey

Attorney General of West
Virginia

Steve Marshall

Attorney General of
Alabama

Leslie Rutledge

Attorney General of
Arkansas

Ashley Moody

Attorney General of Florida

Lawrence G. Wasden

Attorney General of Idaho

Theodore E. Rokita

Attorney General of Indiana

Derek Schmidt

Attorney General of Kansas

Daniel Cameron

Attorney General of
Kentucky

Jeff Landry

Attorney General of
Louisiana

Lynn Fitch

Attorney General of
Mississippi

Eric S. Schmitt

Attorney General of
Missouri

Austin Knudsen

Attorney General of
Montana

Douglas J. Peterson

Attorney General of
Nebraska

Mike Hunter

Attorney General of
Oklahoma

Alan Wilson

Attorney General of South
Carolina

Jason R. Ravensborg

Attorney General of South
Dakota

Ken Paxton

Attorney General of Texas

Sean D. Reyes

Attorney General of Utah

Bridget Hill

Attorney General of
Wyoming

⁵ Please note this letter is not intended to be and is not in any way a waiver of any legal rights, claims, defenses, or immunities possessed by the States regarding this matter.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

March 23, 2021 Letter from Secretary Janet L. Yellen to Mark Brnovich

EXHIBIT A-8



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 23, 2021

The Honorable Mark Brnovich
Attorney General
State of Arizona
2005 N Central Avenue
Phoenix, AZ 85004

Dear Attorney General Brnovich:

I write in reply to your March 16, 2021 letter regarding Treasury's implementation of section 9901 of the American Rescue Plan Act (the "Act"), which provides funds to States, territories, Tribal governments, and localities to help them manage the economic consequences of COVID-19.

In the Act, Congress has provided funding to help States manage the public health and economic consequences of COVID-19 and it has given States considerable flexibility to use that money to address the diverse needs of their communities. At the same time, Congress placed limitations to ensure that the money is used to achieve those purposes – including provisions stating that this funding may not be used to offset a reduction in net tax revenue resulting from certain changes in state law.

It is well established that Congress may place such reasonable conditions on how States may use federal funding. Congress includes those sorts of reasonable funding conditions in legislation routinely, including with respect to funding for Medicaid, education, and highways. Here, the Act provides a broad outlay of federal funds, and accordingly includes restrictions to ensure that those funds are properly applied. Earlier COVID-19 relief measures providing state funding also included restrictions that barred States from spending those funds on certain ineligible expenditures.

Nothing in the Act prevents States from enacting a broad variety of tax cuts. That is, the Act does not "deny States the ability to cut taxes in any manner whatsoever." It simply provides that funding received under the Act may not be used to offset a reduction in net tax revenue resulting from certain changes in state law. If States lower certain taxes but do not use funds under the Act to offset those cuts—for example, by replacing the lost revenue through other means—the limitation in the Act is not implicated.

It is also important to note that States choosing to use the federal funds to offset a reduction in net tax revenue do not thereby forfeit their entire allocation of funds appropriated under this

statute. The limitation affects States' ability to retain only those federal funds used to offset a reduction in net tax revenue resulting from certain changes in state law.

Treasury is crafting further guidance—including guidance to address more specifically the issues raised by your letter and the procedures Treasury will use for any future recoupment—that will provide additional information about how this provision will be administered. We will provide this guidance before a State must submit a certification under § 602(d)(1). We also expect to engage in an ongoing dialogue throughout the program.

These funds will provide transformative relief to States, territories, and Tribal governments, and our communities should be able to use the funds to recover from the economic fallout due to the pandemic, which is what Congress intended. I hope to work with your State, as well as others across the country, to ensure these funds can be used in ways that align with the goals of the statute without undue restrictions.

Sincerely,

A handwritten signature in black ink, reading "Janet L. Yellen". The signature is fluid and cursive, with the first name "Janet" being more prominent and the last name "Yellen" written in a continuous script.

Janet L. Yellen

cc: The Honorable Christopher M. Carr
The Honorable Patrick Morrissey
The Honorable Steve Marshall
The Honorable Leslie Rutledge
The Honorable Ashley Moody
The Honorable Lawrence G. Wasden
The Honorable Theodore E. Rokita
The Honorable Derek Schmidt
The Honorable Daniel Cameron
The Honorable Jeff Landry
The Honorable Lynn Fitch
The Honorable Eric S. Schmitt
The Honorable Austin Knudsen
The Honorable Douglas J. Peterson
The Honorable Mike Hunter
The Honorable Alan Wilson
The Honorable Jason R. Ravensborg
The Honorable Ken Paxton
The Honorable Sean D. Reyes
The Honorable Bridget Hill

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

HB 1195

EXHIBIT A-9

Chapter 4

H.B. No. 1195

1 AN ACT

2 relating to the franchise tax treatment of certain loans and grants
3 made under the federal Coronavirus Aid, Relief, and Economic
4 Security Act.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter C, Chapter 171, Tax Code, is amended
7 by adding Section 171.10131 to read as follows:

8 Sec. 171.10131. PROVISIONS RELATED TO CERTAIN MONEY
9 RECEIVED FOR COVID-19 RELIEF. (a) In this section, "qualifying
10 loan or grant proceeds" means the amount of money received by a
11 taxable entity that:

12 (1) is:

13 (A) a loan or grant under the Coronavirus Aid,
14 Relief, and Economic Security Act (15 U.S.C. Section 9001 et seq.),
15 as amended by the Paycheck Protection Program Flexibility Act of
16 2020 (Pub. L. No. 116-142), the Consolidated Appropriations Act,
17 2021 (Pub. L. No. 116-260), the American Rescue Plan Act of 2021
18 (Pub. L. No. 117-2), and the PPP Extension Act of 2021 (Pub. L.
19 No. 117-6);

20 (B) a shuttered venue operator grant under
21 Section 324 of the Consolidated Appropriations Act, 2021 (Pub. L.
22 No. 116-260), as amended by Section 5005 of the American Rescue
23 Plan Act of 2021 (Pub. L. No. 117-2);

24 (C) microloan program recovery assistance under

H.B. No. 1195

Section 329 of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260); or

(D) a grant from the restaurant revitalization fund established under Section 5003 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2); and

(2) is not included in the taxable entity's gross income for purposes of federal income taxation under:

(A) Section 276 or 278 of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260); or

(B) Section 9672 or 9673 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).

(b) Notwithstanding any other law, a taxable entity:

(1) shall exclude from its total revenue, to the extent included under Section 171.1011(c)(1)(A), (c)(2)(A), or (c)(3), qualifying loan or grant proceeds;

(2) may include as a cost of goods sold under Section 171.1012 any expense paid using qualifying loan or grant proceeds to the extent the expense is otherwise includable as a cost of goods sold under that section; and

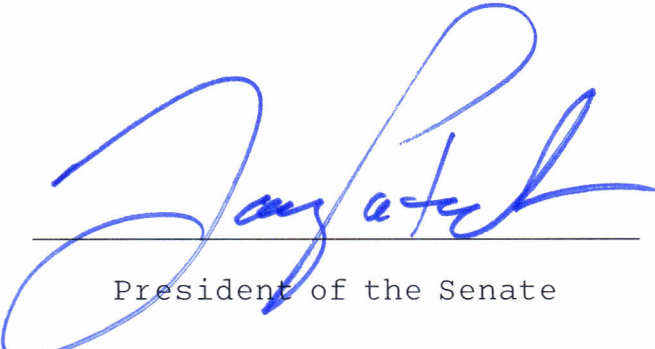
(3) may include as compensation under Section 171.1013 any expense paid using qualifying loan or grant proceeds to the extent the expense is otherwise includable as compensation under that section.

SECTION 2. This Act applies only to a report originally due on or after January 1, 2021.

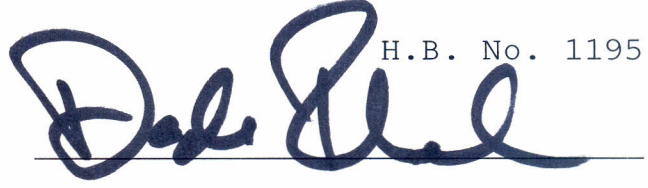
SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

H.B. No. 1195

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2021.



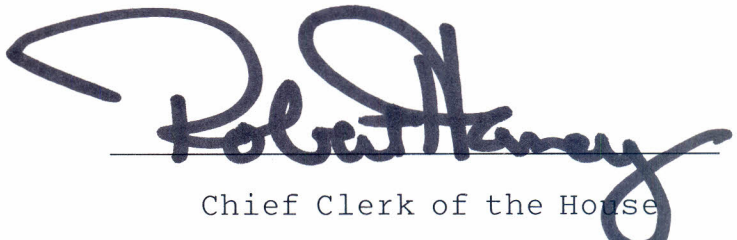
President of the Senate



Speaker of the House

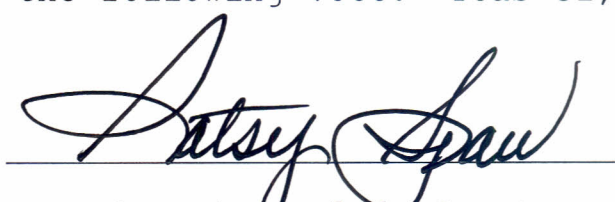
H.B. No. 1195

I certify that H.B. No. 1195 was passed by the House on April 1, 2021, by the following vote: Yeas 148, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1195 on April 23, 2021, by the following vote: Yeas 143, Nays 1, 1 present, not voting.



Chief Clerk of the House

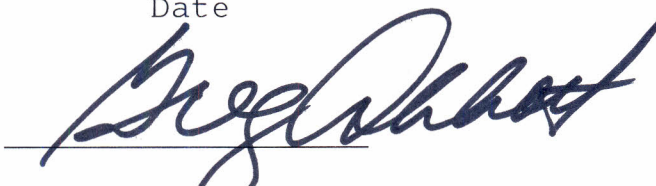
I certify that H.B. No. 1195 was passed by the Senate, with amendments, on April 19, 2021, by the following vote: Yeas 31, Nays 0.



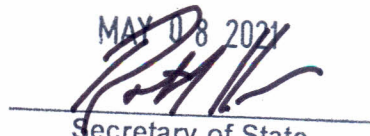
Secretary of the Senate

APPROVED: 5-7-21

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4pm O'CLOCK
MAY 08 2021


Secretary of State

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

H.B. No. 1195 Fiscal Note

EXHIBIT A-10

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 21, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1195 by Geren (relating to the franchise tax treatment of certain loans and grants made under the federal Coronavirus Aid, Relief, and Economic Security Act.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1195, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023.

Additionally, the bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of (\$220,900,000) through the 2022-23 biennium. Any loss to the Property Tax Relief Fund must be made up with an equal amount of General Revenue to fund the Foundation School Program.

All Funds, Six-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue (Loss) from Property Tax Relief Fund</i>
	304
2021	(\$4,400,000)
2022	(\$138,500,000)
2023	(\$78,000,000)
2024	\$0
2025	\$0
2026	\$0

The first table assumes the bill takes immediate effect. The second table assumes the bill takes effect on September 1, 2021.

<i>Fiscal Year</i>	<i>Probable Revenue (Loss) from Property Tax Relief Fund</i>
	304
2022	(\$142,900,000)
2023	(\$78,000,000)
2024	\$0
2025	\$0
2026	\$0

Fiscal Analysis

The bill would amend Chapter 171, Tax Code to provide for exclusion from total revenue of the amounts of certain loan or grant proceeds for purposes of the franchise tax.

Added Section 171.10131 would provide that total revenue does not include an amount of money that:

(1) is received in loans or grants under the federal Coronavirus Aid, Relief, and Economic Security Act, as amended by the Paycheck Protection Program Flexibility Act of 2020, the Consolidated Appropriations Act, 2021, the American Rescue Plan Act of 2021, or the PPP Extension Act of 2021, or is a shuttered venue operator grant, microloan program recovery assistance, or a restaurant revitalization grant under the Consolidated Appropriations Act, 2021 or the American Rescue Plan Act of 2021 as applicable, and

(2) is excluded from gross income for purposes of federal income taxation by Sections 276 and 278 of the Consolidated Appropriations Act, 2021 or Sections 9672 or 9673 of the American Rescue Plan Act of 2021.

Expenses paid with such qualifying loan or grant proceeds would be allowed in the determination of cost of goods sold or of compensation for subtraction from total revenue in the determination of taxable margin, if otherwise includable as cost of goods sold or compensation. The bill would only apply to reports originally due on or after January 1, 2021.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2021.

Methodology

The federal Consolidated Appropriations Act, 2021 and the American Rescue Plan Act of 2021 provide for exclusion of certain loans and other financial assistance from gross income for purposes of federal income taxation, including forgiven Paycheck Protection Program (PPP) loans, emergency Economic Injury Disaster Loans (EIDL) and targeted EIDL advances, small business loan payments made on behalf of borrowers pursuant to Section 1112(c), CARES Act, grants for shuttered venue operators, microloan recovery assistance, and restaurant revitalization grants. Those exclusions do not apply for purposes of the Texas franchise tax, because the state tax is tied to the Internal Revenue Code as it existed in 2007.

Data from the U.S. Small Business Administration (SBA) on amounts by recipient of PPP loans approved in 2020 was combined with comptroller franchise tax report data to estimate amounts of loan forgiveness that would be deemed revenue of taxable entities in the calculation of margin subject to apportionment to the state, and multiplied by a weighted average franchise tax rate. Amounts associated with the small business loan assumptions by SBA, the EIDL grants and advances, shuttered venue operator grants, microloan recovery assistance, and the restaurant revitalization grants were estimated proportionally, based on the amounts appropriated for those purposes relative to appropriations for PPP loans. It is assumed that PPP loans granted in 2020 would be forgiven in 2021, affecting franchise tax liabilities for reports originally due in 2022. The exclusion from revenue of the value of loan payments made by the SBA in 2020 pursuant to Section 1112, CARES Act are assumed to affect franchise tax reports in fiscal year 2021 if the bill receives immediate effect, otherwise the effects would occur with respect to amended reports filed in fiscal year 2022.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 313

EXHIBIT A-11

Chapter 554

S.B. No. 313

1 AN ACT

2 relating to a sales and use tax exemption for firearm safety
3 equipment.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended
6 by adding Section 151.3131 to read as follows:

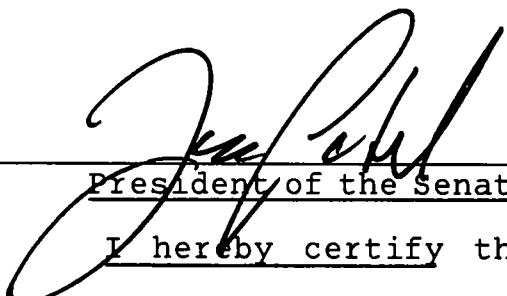
7 Sec. 151.3131. FIREARM SAFETY EQUIPMENT. (a) In this
8 section, "firearm safety equipment" means a gun lock box, a gun
9 safe, a barrel lock, a trigger lock, a firearm safety training
10 manual or electronic publication, or another item designed to
11 ensure the safe handling or storage of a firearm.

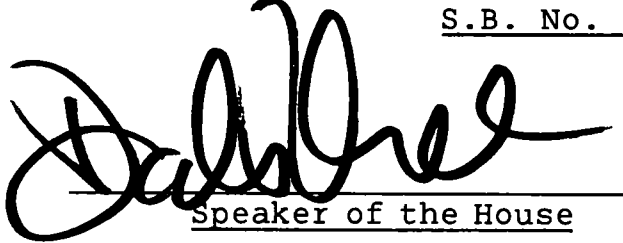
12 (b) The sale, storage, use, or other consumption of firearm
13 safety equipment is exempted from the taxes imposed by this
14 chapter.

15 SECTION 2. The change in law made by this Act does not
16 affect tax liability accruing before the effective date of this
17 Act. That liability continues in effect as if this Act had not been
18 enacted, and the former law is continued in effect for the
19 collection of taxes due and for civil and criminal enforcement of
20 the liability for those taxes.

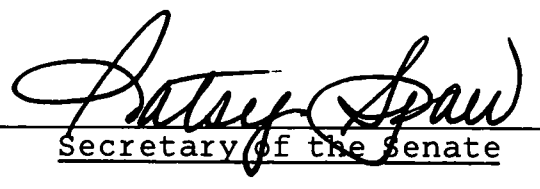
21 SECTION 3. This Act takes effect September 1, 2021.

S.B. No. 313


President of the Senate


Speaker of the House

I hereby certify that S.B. No. 313 passed the Senate on April 19, 2021, by the following vote: Yeas 30, Nays 1; and that the Senate concurred in House amendment on May 27, 2021, by the following vote: Yeas 31, Nays 0.


Secretary of the Senate

I hereby certify that S.B. No. 313 passed the House, with amendment, on May 18, 2021, by the following vote: Yeas 142, Nays 2, one present not voting.


Chief Clerk of the House

Approved:

6-11-21
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

6pm O'CLOCK

JUN 14 2021


Secretary of State

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 313 Fiscal Note

EXHIBIT A-12

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 19, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB313 by Huffman (Relating to a sales and use tax exemption for firearm safety equipment.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB313, As Passed 2nd House : a negative impact of (\$1,650,000) through the biennium ending August 31, 2023.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	(\$770,000)
2023	(\$880,000)
2024	(\$930,000)
2025	(\$980,000)
2026	(\$1,040,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue (Loss) from <i>General Revenue Fund 1</i>	Probable Revenue (Loss) from <i>Tax Reduc. & Excell. Edu. Fund 305</i>	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>
2022	(\$770,000)	(\$30,000)	(\$150,000)	(\$50,000)
2023	(\$880,000)	(\$30,000)	(\$170,000)	(\$60,000)
2024	(\$930,000)	(\$30,000)	(\$180,000)	(\$60,000)
2025	(\$980,000)	(\$40,000)	(\$190,000)	(\$60,000)
2026	(\$1,040,000)	(\$40,000)	(\$200,000)	(\$70,000)

<i>Fiscal Year</i>	Probable Revenue (Loss) from <i>Counties & Special Districts</i>
2022	(\$30,000)
2023	(\$40,000)
2024	(\$40,000)
2025	(\$40,000)
2026	(\$40,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code by adding Section 151.3131 to provide an exemption of firearm safety equipment from sales and use taxes.

The new section would define "firearm safety equipment" to include a gun lock box, a gun safe, a barrel lock, a trigger lock, firearm safety training manual or electronic publication, and other items designed to ensure the safe handling or storage of a firearm.

The bill would take effect September 1, 2021.

Methodology

The Comptroller estimated tax revenue loss resulting from the bill based on information from a sample of firearms dealers. A ratio of sales of firearms safety devices to total sales of firearms dealers was applied to estimated sales of firearms, ammunition, and related accessories in the state, multiplied by the state sales tax rate, and extrapolated through 2026.

Local Government Impact

There would be a proportional loss of sales and use tax revenue from units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, LBO, KK, SD

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
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JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 609

EXHIBIT A-13

Chapter 84

S.B. No. 609

AN ACT

relating to the creation of the Texas music incubator rebate program to provide for rebates of a portion of certain taxes collected from certain music venues and promoters of certain music festivals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 485, Government Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. TEXAS MUSIC INCUBATOR REBATE PROGRAM

Sec. 485.041. DEFINITIONS. (a) Except as provided by Subsection (b), the definitions in Section 1.04, Alcoholic Beverage Code, apply to this subchapter.

(b) In this subchapter:

(1) "Mixed beverage gross receipts tax" means the tax imposed by Subchapter B, Chapter 183, Tax Code.

(2) "Permit holder" means a person who holds a permit issued under Section 151.201, Tax Code.

(3) "Permittee" has the meaning assigned by Section 183.001(b), Tax Code.

(4) "Program" means the Texas music incubator rebate program.

(5) "Sales tax" means the tax imposed by Chapter 151, Tax Code.

Sec. 485.042. TEXAS MUSIC INCUBATOR REBATE PROGRAM. (a)

S.B. No. 609

1 The office shall administer the Texas music incubator rebate
2 program under which the office shall provide to eligible music
3 venues and eligible music festival promoters from money
4 appropriated from the Texas music incubator account a full or
5 partial rebate of the mixed beverage gross receipts taxes and sales
6 tax receipts attributable to the sale of beer and wine and remitted
7 to the comptroller annually by those venues and promoters. The
8 Texas music incubator account shall be funded by mixed beverage
9 gross receipts taxes and sales tax receipts attributable to the
10 sale of beer and wine remitted annually by venues and promoters and
11 deposited into that account as required by Sections 151.801(f) and
12 183.023(c), Tax Code. The rebates are to assist eligible music
13 venues and eligible music festival promoters in their efforts to
14 support and continue to bring to local communities in this state
15 live musical performances, including the recruitment of musical
16 performance artists.

17 (b) The office may not provide a rebate under the program to
18 a music venue or music festival promoter in an amount that exceeds
19 the lesser of:

20 (1) the amount of mixed beverage gross receipts taxes
21 and sales taxes attributable to the sale of beer and wine remitted
22 in the preceding fiscal year to the comptroller by the music venue
23 or music festival promoter as a permittee or permit holder; or

24 (2) \$100,000.

25 Sec. 485.043. ELIGIBILITY FOR REBATE. (a) Except as
26 provided by Subsection (b), to qualify for a rebate under the
27 program, a music venue or music festival promoter, for at least the

S.B. No. 609

two years preceding the date on which the music venue or promoter,
as applicable, submits an application under Section 485.044, must
have:

(1) been a permittee subject to the mixed beverage
gross receipts tax or a permit holder subject to the sales tax on
the sale of beer or wine;

(2) if the applicant is a music venue, been a retail
establishment with a dedicated audience capacity of not more than
3,000 persons;

(3) if the applicant is a music festival promoter,
held a music festival in a county with a population of less than
100,000;

(4) entered into a written contract with a musical
performance artist to conduct a live performance at the venue or
festival, as applicable, under which the artist received as
compensation a specified percentage of ticket sales for or other
sales during the performance, or a guaranteed amount in advance of
the performance; and

(5) met at least five of the following criteria, one of
which must be described by Paragraph (A) or (B):

(A) the marketing of live music performances
through listings in printed or electronic publications;

(B) the provision of live music performances five
or more nights per week;

(C) employment or contracting of the services of
one or more people who are tasked with two or more of the following
positions or services:

S.B. No. 609

- 1 (i) sound engineer;
2 (ii) booker;
3 (iii) promoter;
4 (iv) stage manager; or
5 (v) security personnel;
6 (D) having live performance and audience space;
7 (E) the provision of technical sound and lighting
8 support, either in-house or through a contract with a vendor;
9 (F) having a space for the storage of audio
10 equipment or musical instruments;
11 (G) the application of cover charges to one or
12 more live music performances through ticketing or the imposition of
13 a front door entrance fee; or
14 (H) the maintenance of hours of operation that
15 coincide with live music performance show times.

16 (b) The office may, at the office's discretion, provide a
17 rebate under the program to a music venue or a music festival
18 promoter that fails to meet the eligibility requirements prescribed
19 by Subsection (a) solely because the venue is located, or the
20 festival is usually held, as applicable, in a county located wholly
21 or partly in an area that at any time during the preceding two-year
22 period was declared to be a disaster area by the governor or by the
23 president of the United States.

24 Sec. 485.044. REBATE APPLICATION. (a) The office shall:
25 (1) subject to Subsection (b), prescribe the
26 application form for obtaining a rebate under the program; and
27 (2) establish an online portal on the office's public

S.B. No. 609

Internet website that allows a music venue or music festival promoter to submit the application to the office for consideration.

(b) The application must:

(1) state the amount of mixed beverage gross receipts tax and sales tax receipts attributable to the sale of beer and wine that was remitted to the comptroller by the music venue or music festival promoter in the preceding fiscal year;

(2) include sufficient evidence for the office to determine that the music venue or promoter qualifies for a rebate; and

(3) include any other information the office determines necessary to administer the program.

(c) The office shall accept rebate applications beginning September 1 of each year and may provide rebates until all the money in the Texas music incubator account is exhausted.

(d) The office may expedite the review of an application submitted by a music venue or music festival promoter, if the venue is located, or the festival is usually held, as applicable, in a county located wholly or partly in an area that at any time during the preceding two-year period was declared to be a disaster area by the governor or by the president of the United States.

Sec. 485.045. REVIEW OF APPLICATIONS; REBATES. (a) After reviewing applications for a rebate under the program, the office shall grant rebates to eligible music venues and music festival promoters that the office determines provide or have committed to provide the most economic benefit to the communities in which the music venues are located or the festivals are held, as applicable,

S.B. No. 609

1 and to the Texas music industry, including live music performers.

2 (b) As directed by the office, the comptroller shall issue a
3 warrant for a rebate granted by the office under this section drawn
4 on the Texas music incubator account.

5 Sec. 485.046. TEXAS MUSIC INCUBATOR ACCOUNT. (a) The Texas
6 music incubator account is a dedicated account in the general
7 revenue fund. The account is composed of:

8 (1) money deposited to the credit of the account under
9 Sections 151.801(f) and 183.023(c), Tax Code;

10 (2) gifts, grants, and other money received by the
11 office for the program; and

12 (3) other amounts deposited to the credit of the
13 account.

14 (b) Money in the account may be appropriated only to the
15 office for the purpose of paying rebates to music venues and certain
16 music festival promoters under the program.

17 (c) Interest and other earnings from money in the account
18 shall be credited to the account.

19 (d) On the last day of each state fiscal biennium, the
20 comptroller shall transfer any money deposited to the account under
21 Subsection (a)(1) that is unobligated and unexpended on that date
22 to the general revenue fund to be used in accordance with
23 legislative appropriation.

24 Sec. 485.047. RULES. The office shall adopt rules
25 necessary to implement and administer this subchapter.

26 SECTION 2. Section 151.801, Tax Code, is amended by
27 amending Subsection (a) and adding Subsection (f) to read as

S.B. No. 609

1 follows:

2 (a) Except for the amounts allocated under Subsections (b),
3 (c), (c-2), ~~[and]~~ (c-3), and (f), all proceeds from the collection
4 of the taxes imposed by this chapter shall be deposited to the
5 credit of the general revenue fund.

6 (f) The comptroller shall deposit each fiscal year \$100,000
7 of the revenue received under this chapter to the credit of the
8 Texas music incubator account under Section 485.046, Government
9 Code.

10 SECTION 3. Section 183.023, Tax Code, is amended by
11 amending Subsection (b) and adding Subsection (c) to read as
12 follows:

13 (b) Except for the amounts allocated under Subsection (c),
14 the [The] comptroller shall deposit the revenue received under this
15 section in the general revenue fund.

16 (c) The comptroller shall deposit each fiscal year \$10
17 million of the revenue received under this section to the credit of
18 the Texas music incubator account under Section 485.046, Government
19 Code.

20 SECTION 4. (a) Not later than September 1, 2022, the Music,
21 Film, Television, and Multimedia Office within the office of the
22 governor shall establish the Texas music incubator rebate program
23 as required under Subchapter C, Chapter 485, Government Code, as
24 added by this Act.

25 (b) Notwithstanding Section 485.044(c), Government Code, as
26 added by this Act, the Music, Film, Television, and Multimedia
27 Office shall begin accepting rebate applications as authorized

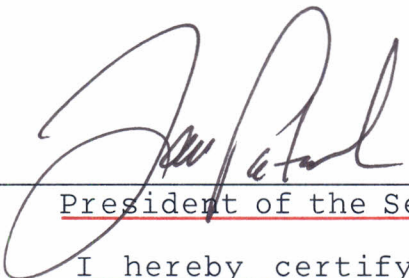
S.B. No. 609

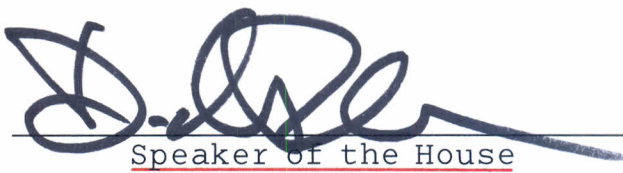
1 under that section beginning September 1, 2022.

2 SECTION 5. The Music, Film, Television, and Multimedia
3 Office and the comptroller of public accounts are required to
4 implement a provision of this Act only if the legislature
5 appropriates money specifically for that purpose. If the
6 legislature does not appropriate money specifically for that
7 purpose, the office and comptroller may, but are not required to,
8 implement a provision of this Act using other appropriations that
9 are available for that purpose.

10 SECTION 6. This Act takes effect September 1, 2021.

S.B. No. 609

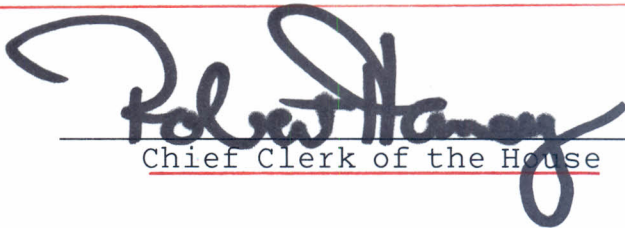

President of the Senate


Speaker of the House

I hereby certify that S.B. No. 609 passed the Senate on April 26, 2021, by the following vote: Yeas 22, Nays 9.


Secretary of the Senate

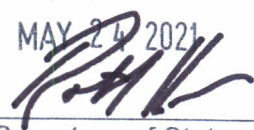
I hereby certify that S.B. No. 609 passed the House on May 8, 2021, by the following vote: Yeas 102, Nays 40, one present not voting.


Chief Clerk of the House

Approved:

5-23-21
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:00pm O'CLOCK
MAY 24 2021

Secretary of State

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 609 Fiscal Note

EXHIBIT A-14

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 14, 2021

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB609 by Alvarado (relating to the creation of the Texas music incubator rebate program to provide for rebates of a portion of certain taxes collected from certain music venues and promoters of certain music festivals.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB609, Committee Report 1st House, Substituted : a negative impact of (\$20,200,000) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	(\$10,100,000)
2023	(\$10,100,000)
2024	(\$10,100,000)
2025	(\$10,100,000)
2026	(\$10,100,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>Texas Music Incubator Account</i>
2022	(\$10,100,000)	\$10,100,000
2023	(\$10,100,000)	\$10,100,000
2024	(\$10,100,000)	\$10,100,000
2025	(\$10,100,000)	\$10,100,000
2026	(\$10,100,000)	\$10,100,000

Fiscal Analysis

The bill would amend Chapter 485 of the Government Code, regarding Music, Film, Television, and Multimedia Industries, by adding subsection C to create the Texas Music Incubator Rebate Program.

The bill would establish the Texas Music Incubator Program to be administered by the Office of the Governor. The program would allow eligible music venues and eligible music festival promoters to apply for a rebate of the Mixed Beverage Gross Receipts Tax and sales taxes paid on the sale of alcoholic beverages in the preceding fiscal year, up to a maximum of \$100,000. The Comptroller would be required to issue a warrant for all granted

rebates at the direction of the Governor's Office. All warrants would be drawn on the newly created Texas Music Incubator Account in the General Revenue Fund. The program may provide rebates until all the money in the Texas Music Incubator Account is exhausted. The Governor's Office would be required to establish the program by September 1, 2022 and would begin accepting applications September 1, 2022.

The bill would amend Section 183 of the Tax Code to direct the Comptroller to deposit \$10,000,000 of Mixed Beverage Gross Receipts Tax collections and \$100,000 of sales tax collections in to the newly created Texas Music Incubator Account.

The bill would take effect September 1, 2021.

Methodology

The bill requires the Comptroller to direct \$10,000,000 of Mixed Beverage Gross Receipts Tax collections and \$100,000 of sales tax collections that would have otherwise gone to undedicated General Revenue to the newly created Texas Music Incubator Account.

This estimate assumes that the entire amount directed to the Texas Music Incubator Account will be exhausted each year.

The Governor's Office estimates that there would be administrative costs associated with implementing the provisions of the bill, however this analysis assumes those costs could be absorbed within existing resources.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, BRI, LCO, HGR, AJL

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 938

EXHIBIT A-15

Chapter 859

S.B. No. 938

AN ACT

relating to an exemption from the franchise tax and certain filing fees for certain businesses owned by veterans during an initial period of operation in the state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 12, Business Organizations Code, is amended by adding Section 12.005 to read as follows:

Sec. 12.005. FEE WAIVER FOR NEW VETERAN-OWNED BUSINESS.

The secretary of state shall waive all fees imposed under Subchapter D, Chapter 4, for an entity that is a new veteran-owned business as defined by Section 171.0005, Tax Code, until the earlier of:

(1) the fifth anniversary of the date on which the entity was formed; or

(2) the date the entity ceases to qualify as a new veteran-owned business as defined by Section 171.0005, Tax Code.

SECTION 2. Section 171.0001(4), Tax Code, is amended to read as follows:

(4) "Beginning date" means:

(A) except as provided by Paragraph (B):

(i) for a taxable entity chartered or organized in this state, the date on which the taxable entity's charter or organization takes effect; and

(ii) [~~(B)~~] for any other taxable entity,

S.B. No. 938

1 the date on which the taxable entity begins doing business in this
2 state; or

3 (B) for a taxable entity that qualifies as a new
4 veteran-owned business as defined by Section 171.0005, the earlier
5 of:

6 (i) the fifth anniversary of the date on
7 which the taxable entity begins doing business in this state; or

8 (ii) the date the taxable entity ceases to
9 qualify as a new veteran-owned business as defined by Section
10 171.0005.

11 SECTION 3. Effective January 1, 2026, Section 171.0001(4),
12 Tax Code, is amended to read as follows:

13 (4) "Beginning date" means:

14 (A) for a taxable entity chartered or organized
15 in this state, the date on which the taxable entity's charter or
16 organization takes effect; and

17 (B) for any other taxable entity, the date on
18 which the taxable entity begins doing business in this state.

19 SECTION 4. Subchapter A, Chapter 171, Tax Code, is amended
20 by adding Section 171.0005 to read as follows:

21 Sec. 171.0005. DEFINITION OF NEW VETERAN-OWNED BUSINESS.

22 (a) A taxable entity is a new veteran-owned business only if the
23 taxable entity is a new business in which each owner is a natural
24 person who:

25 (1) served in and was honorably discharged from a
26 branch of the United States armed forces; and

27 (2) provides verification to the comptroller of the

S.B. No. 938

1 person's service and discharge required by Subdivision (1).

2 (b) The Texas Veterans Commission shall provide to a person
 3 who meets the requirements of Subsection (a)(1) written
 4 verification of that status in a form required by the comptroller.
 5 The comptroller shall adopt rules prescribing the form and content
 6 of the verification and the manner in which the verification may be
 7 provided to the comptroller.

8 (c) For purposes of Subsection (a), a new business is a
 9 taxable entity that:

10 (1) is chartered or organized or otherwise formed in
 11 this state; and

12 (2) first begins doing business in this state on or
 13 after January 1, 2022.

14 SECTION 5. Section 171.001, Tax Code, is amended by adding
 15 Subsection (d) to read as follows:

16 (d) Notwithstanding Subsection (a), the tax imposed under
 17 this chapter is not imposed on a taxable entity that qualifies as a
 18 new veteran-owned business as defined by Section 171.0005 until the
 19 earlier of:

20 (1) the fifth anniversary of the date on which the
 21 taxable entity begins doing business in this state; or

22 (2) the date the taxable entity ceases to qualify as a
 23 new veteran-owned business as defined by Section 171.0005.

24 SECTION 6. Section 171.063(g), Tax Code, is amended to read
 25 as follows:

26 (g) If a corporation's federal tax exemption is withdrawn by
 27 the Internal Revenue Service for failure of the corporation to

S.B. No. 938

1 qualify or maintain its qualification for the exemption, the
2 corporation's exemption under this section ends on the effective
3 date of that withdrawal by the Internal Revenue Service. The
4 effective date of the withdrawal is considered the corporation's
5 beginning date for purposes of determining the corporation's
6 privilege periods and for all other purposes of this chapter,
7 except that if the corporation would have been subject to Section
8 171.001(d) in the absence of the federal tax exemption, and the
9 effective date of the withdrawal is a date earlier than the date the
10 corporation would have become subject to the franchise tax as
11 provided by Section 171.001(d), the date the corporation would have
12 become subject to the franchise tax under that section is
13 considered the corporation's beginning date for those purposes.

14 SECTION 7. Effective January 1, 2026, Section 171.063(g),
15 Tax Code, is amended to read as follows:

16 (g) If a corporation's federal tax exemption is withdrawn by
17 the Internal Revenue Service for failure of the corporation to
18 qualify or maintain its qualification for the exemption, the
19 corporation's exemption under this section ends on the effective
20 date of that withdrawal by the Internal Revenue Service. The
21 effective date of the withdrawal is considered the corporation's
22 beginning date for purposes of determining the corporation's
23 privilege periods and for all other purposes of this chapter.

24 SECTION 8. Section 171.204, Tax Code, is amended by adding
25 Subsection (d) to read as follows:

26 (d) The comptroller may require a taxable entity on which
27 the tax imposed under this chapter is not imposed solely because of

S.B. No. 938

1 the application of Section 171.001(d) to file an information report
2 stating the taxable entity's beginning date as determined under
3 Section 171.0001(4)(B) and any other information the comptroller
4 determines necessary. The comptroller may not require the taxable
5 entity to report or compute its margin.

6 SECTION 9. Effective January 1, 2026, the following
7 provisions are repealed:

8 (1) Section 12.005, Business Organizations Code;

9 (2) Section 171.0005, Tax Code;

10 (3) Section 171.001(d), Tax Code; and

11 (4) Section 171.204(d), Tax Code.

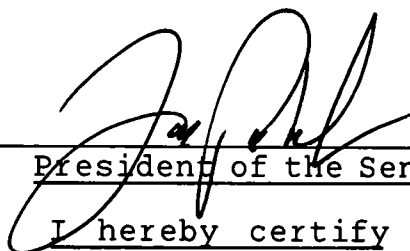
12 SECTION 10. The changes in law made by this Act that take
13 effect January 1, 2026, do not apply to a business that first
14 qualifies before that date as a new veteran-owned business as
15 defined by Section 171.0005, Tax Code, as that section exists
16 immediately before that date. A business that first qualifies
17 before January 1, 2026, as a new veteran-owned business is governed
18 by the law in effect immediately before that date, and that law is
19 continued in effect for that purpose.

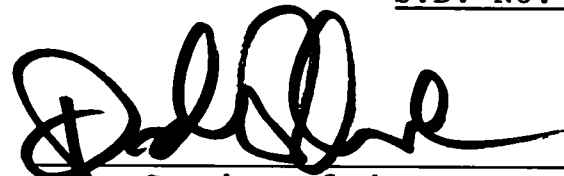
20 SECTION 11. The agency is required to implement this Act
21 only if the legislature appropriates money specifically for that
22 purpose. If the legislature does not appropriate money
23 specifically for that purpose, the commission may, but is not
24 required to, implement this Act using other appropriations
25 available for the purpose.

26 SECTION 12. Except as otherwise provided by this Act, this
27 Act takes effect January 1, 2022.

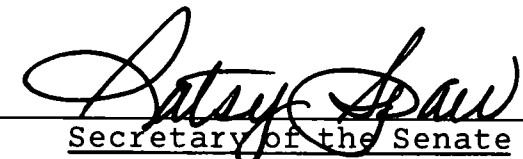
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S.B. No. 938

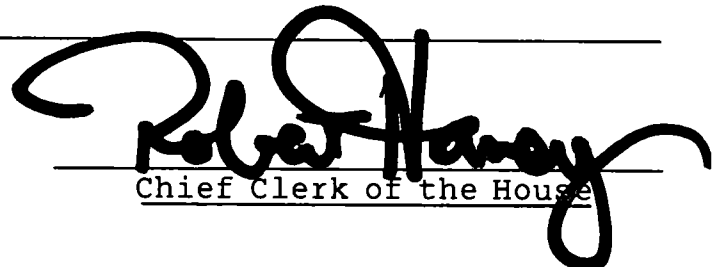

President of the Senate


Speaker of the House

I hereby certify that S.B. No. 938 passed the Senate on April 13, 2021, by the following vote: Yeas 31, Nays 0. _____

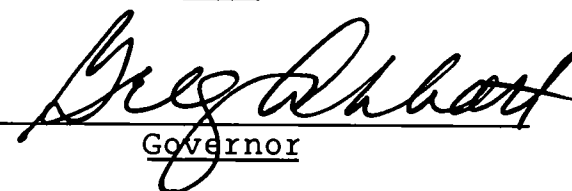

Secretary of the Senate

I hereby certify that S.B. No. 938 passed the House on May 25, 2021, by the following vote: Yeas 104, Nays 1, one present not voting. _____


Chief Clerk of the House


Approved:

6-14-21
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2 pm O'CLOCK

JUN 16 2021


Secretary of State

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 938 Fiscal Note

EXHIBIT A-16

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 6, 2021

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB938 by Campbell (Relating to an exemption from the franchise tax and certain filing fees for certain businesses owned by veterans during an initial period of operation in the state.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB938, As Engrossed : a negative impact of (\$363,000) through the biennium ending August 31, 2023.

Additionally, the bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of (\$300,000) for the 2022-23 biennium. Any loss to the Property Tax Relief Fund must be made up with an equal amount of General Revenue to fund the Foundation School Program.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	\$0
2023	(\$363,000)
2024	(\$1,058,000)
2025	(\$2,019,000)
2026	(\$2,760,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Property Tax Relief Fund</i> 304
2022	\$0	\$0
2023	(\$363,000)	(\$300,000)
2024	(\$1,058,000)	(\$900,000)
2025	(\$2,019,000)	(\$1,500,000)
2026	(\$2,760,000)	(\$2,100,000)

Fiscal Analysis

The bill would amend the Business Organizations Code and the Tax Code to provide for waiver of filing fees and for franchise tax exemption for new veteran-owned businesses.

The bill would provide that the secretary of state shall waive all filing fees imposed under Subchapter D, Chapter 4, Business Organizations Code for a new veteran-owned business.

The bill would amend Chapter 171, Tax Code to provide for franchise tax exemption for a new veteran-owned business formed in the state during the four-year period between January 1, 2022 and December 31, 2025. The exemption would persist until the earlier of the fifth anniversary after the taxable entity begins doing business in the state or the date the taxable entity ceases to qualify as a new veteran-owned business. A “new veteran-owned business” would be defined as a taxable entity each owner of which is a natural person who served in and was honorably discharged from a branch of the United States armed forces as verified by the Texas Veterans Commission.

The bill would take effect January 1, 2022.

Methodology

The Comptroller indicates the bill would result in a franchise tax revenue loss from the Property Tax Relief Fund. This estimate is based on U.S. Census Bureau data for veteran-owned businesses and Comptroller tax file information for new franchise tax filers.

The Secretary of State estimated the General Revenue Fund revenue loss from waiving filing fees for new veteran-owned businesses based on historical filing data.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 307 Secretary of State

LBB Staff: JMc, KK, SD

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 1524

EXHIBIT A-17

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Chapter 401

S.B. No. 1524

AN ACT

relating to a sales and use tax refund pilot program for certain persons who employ apprentices.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4292 to read as follows:

Sec. 151.4292. TAX REFUND PILOT PROGRAM FOR CERTAIN PERSONS WHO EMPLOY APPRENTICES. (a) In this section:

(1) "Executive director" means the executive director of the Texas Workforce Commission.

(2) "Qualified apprenticeship" means an apprenticeship program that is:

(A) certified as an industry-recognized apprenticeship program by an entity determined to meet United States Department of Labor criteria; or

(B) registered with the United States Department of Labor and qualified to receive funding provided through the Texas Workforce Commission under Chapter 133, Education Code.

(b) A person is eligible for a refund in the amount and under the conditions provided by this section of the taxes paid under this chapter during a calendar year if the person is certified by the executive director under Subsection (f) and employs at least one apprentice in a qualified apprenticeship position for at least seven months during the calendar year. A person is not considered

S.B. No. 1524

to be employed in a qualified apprenticeship position for purposes of this section:

(1) after the earlier of:

(A) the fourth anniversary of employment in the position; or

(B) the conclusion of the term of the apprenticeship position; or

(2) if the person was employed in another position by the employer immediately before beginning employment in the apprenticeship position.

(c) Subject to Subsections (d) and (e), the amount of the refund for a calendar year in connection with each apprentice described by Subsection (b) is \$2,500.

(d) The total amount of the refund for a calendar year is equal to the lesser of:

(1) the amount allowed under Subsection (c) for the calendar year for each apprentice described by Subsection (b), not to exceed the maximum number of apprentices provided by Subsection (e); or

(2) the amount of sales and use taxes paid by the person during the calendar year.

(e) The maximum number of apprentices in connection with whom a person may receive a refund in a calendar year is:

(1) one; or

(2) not more than six if at least half of the apprentices employed are:

(A) foster children who have transitioned or are

S.B. No. 1524

transitioning to independent living, as described in Section 264.121, Family Code;

(B) military veterans, as defined by Section 55.001, Occupations Code;

(C) military spouses, as defined by Section 55.001, Occupations Code; or

(D) women.

(f) A person may not apply for a refund under this section unless the executive director certifies that the person is able to employ apprentices in qualified apprenticeships. A person must apply to the executive director to obtain certification. The executive director shall create an application form for the certification.

(g) The executive director may certify not more than 100 persons under Subsection (f) at any time. If the number of eligible applicants exceeds the limit provided by this subsection, the executive director shall select applicants for certification according to rules adopted under Subsection (h).

(h) The executive director shall adopt rules that establish merit-based criteria for selecting persons to certify from among those who apply. The rules must require that the executive director give preference to applicants who:

(1) offer qualified apprenticeships in areas of this state that are not designated as metropolitan statistical areas by the United States Office of Management and Budget; and

(2) provide training and skills development in emerging or developing occupational fields.

S.B. No. 1524

1 (i) The executive director shall issue a certificate to each
2 person certified under Subsection (f). The certificate must
3 confirm that the person is eligible to apply for a refund under this
4 section.

5 (j) A person must apply to the comptroller for a refund
6 under this section. The person must include with the application
7 the certificate issued to the person under Subsection (i) and any
8 other information the comptroller requires.

9 (k) Not later than September 1, 2024, the executive director
10 shall prepare and deliver to the governor, the lieutenant governor,
11 the speaker of the house of representatives, and the presiding
12 officer of each legislative standing committee with primary
13 jurisdiction over taxation a report that evaluates the effect of
14 the pilot program on the employment outcomes and earnings of
15 apprentices with respect to whom refunds are granted under the
16 pilot program under this section. The report must include a
17 recommendation regarding whether the pilot program should be
18 continued, expanded, or terminated.

19 (l) A person who applies for a refund under this section
20 shall provide to the executive director information the executive
21 director requests to prepare the report described by Subsection
22 (k).

23 (m) This section expires December 31, 2026.

24 SECTION 2. A person may apply for a refund under Section
25 151.4292, Tax Code, as added by this Act, only in connection with
26 apprentices first employed on or after the effective date of this
27 Act.

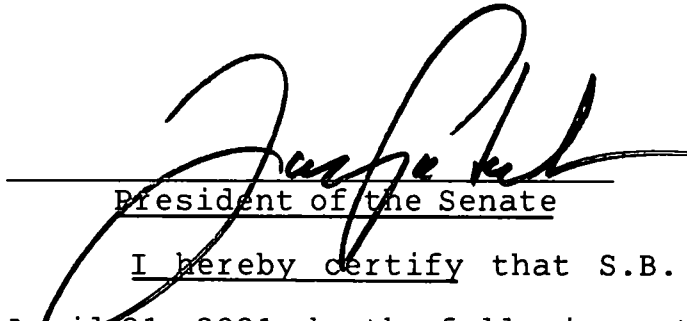
S.B. No. 1524

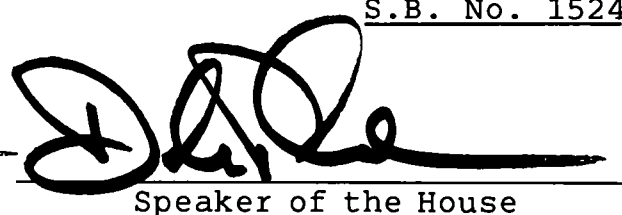
1 SECTION 3. The Texas Workforce Commission and the
2 comptroller of public accounts are required to implement this Act
3 only if the legislature appropriates money specifically for that
4 purpose. If the legislature does not appropriate money
5 specifically for that purpose, the commission and the comptroller
6 may, but are not required to, implement this Act using other
7 appropriations available for the purpose.

8 SECTION 4. This Act takes effect January 1, 2022.

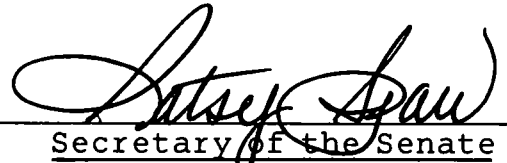
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or
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S.B. No. 1524


President of the Senate


Speaker of the House

I hereby certify that S.B. No. 1524 passed the Senate on April 21, 2021, by the following vote: Yeas 27, Nays 4.


Secretary of the Senate


I hereby certify that S.B. No. 1524 passed the House on May 24, 2021, by the following vote: Yeas 103, Nays 38, one present not voting.


Chief Clerk of the House

Approved:

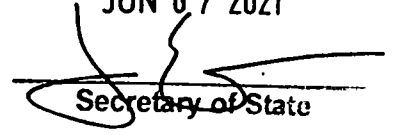
6-4-21

Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:00 PM O'CLOCK

JUN 07 2021


Secretary of State

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 1524 Fiscal Note

EXHIBIT A-18

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 6, 2021

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1524 by Hughes (Relating to a sales and use tax refund pilot program for certain persons who employ apprentices.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1524, As Engrossed : a negative impact of (\$1,756,000) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	(\$128,000)
2023	(\$1,628,000)
2024	(\$1,628,000)
2025	(\$1,628,000)
2026	(\$1,628,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2021</i>
2022	\$0	(\$128,000)	2.0
2023	(\$1,500,000)	(\$128,000)	2.0
2024	(\$1,500,000)	(\$128,000)	2.0
2025	(\$1,500,000)	(\$128,000)	2.0
2026	(\$1,500,000)	(\$128,000)	2.0

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code regarding sales and use tax refunds for businesses that employ apprentices. The bill would define apprentices that qualify for a refund as those that participate in a program that is either registered with the U.S. Department of Labor (DoL) and qualified to receive funding provided through the Texas Workforce Commission under Chapter 133 of the Education Code, or certified as an industry-recognized apprenticeship program by an entity determined to meet DoL criteria.

The bill would add Section 151.4292 to allow an entity that is certified by the Texas Workforce Commission (TWC) to claim a sales tax refund of \$2,500 per qualified apprenticeship position per calendar year. The

apprentice would have to be employed by the entity for at least seven months during the calendar year in order for the entity to be eligible for the refund.

TWC would not be able to certify more than 100 entities at a time. The maximum number of apprentices any entity would be able to claim for purposes of the refund would be one or up to six if half of the apprentices meet certain criteria described in the bill.

The total refund amount allowed per calendar year would be limited to the lesser of the total sales and use taxes paid by the person during the calendar year or the maximum refund amount allowed in connection with each apprentice for not more than six apprentices. The bill would require a person to apply to the Comptroller to receive the refund.

The bill would require TWC to write a report evaluating the effectiveness of the apprenticeship program by September 1, 2024.

Section 151.4292 would expire December 31, 2026.

The bill would take effect January 1, 2022.

Methodology

The Comptroller assumes TWC would certify 100 entities, that those entities that apply for certification would be those with enough annual sales tax remittances to receive the maximum allowable refunds, and that each certified entity would employ six apprentices, the maximum number of apprentices allowed for purposes of the sales tax refund. Refunds would be paid in each year following the calendar year of apprenticeship.

The administrative cost includes the funds necessary for the Comptroller to hire two Accounts Examiner III FTEs to implement the provisions of the bill. These FTEs are necessary to verify and pay the additional sales tax refund claims.

TWC indicates they could absorb their responsibilities from the bill within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission

LBB Staff: JMc, KK, SD

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
DEFENDANTS' MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

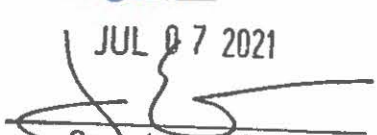
July 7, 2021 Proclamation by the Governor of the State of Texas

EXHIBIT A-19



GOVERNOR GREG ABBOTT

July 7, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9am O'CLOCK
JUL 07 2021

Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701


Dear Mr. Deputy Secretary:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

A proclamation calling an extraordinary session of the 87th Legislature, to convene in the City of Austin, commencing at 10 a.m. on Thursday, July 8, 2021.

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,


Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, GREG ABBOTT, GOVERNOR OF THE STATE OF TEXAS, by the authority vested in me by Article III, Sections 5 and 40, and Article IV, Section 8 of the Texas Constitution, do hereby call an extraordinary session of the 87th Legislature, to convene in the City of Austin, commencing at 10:00 a.m. on Thursday, July 8, 2021, for the following purposes:

To consider and act upon the following:

Legislation reforming the bail system in Texas to protect the public from accused criminals who may be released on bail.

Legislation strengthening the integrity of elections in Texas.

Legislation providing funding to support law-enforcement agencies, counties, and other strategies as part of Texas' comprehensive border security plan.

Legislation safeguarding the freedom of speech by protecting social-media users from being censored by social-media companies based on the user's expressed viewpoints, including by providing a legal remedy for those wrongfully excluded from a platform.

Legislation providing appropriations to the Legislature and legislative agencies in Article X of the General Appropriations Act.

Legislation similar to Senate Bill 1109 from the 87th Legislature, Regular Session, requiring schools to provide appropriate education to middle- and high-school students about dating violence, domestic violence, and child abuse, but that recognizes the right of parents to opt their children out of the instruction.

Legislation identical to Senate Bill 29 as passed by the Texas Senate in the 87th Legislature, Regular Session, disallowing a student from competing in University Interscholastic League athletic competitions designated for the sex opposite to the student's sex at birth.

Legislation similar to Senate Bill 394 from the 87th Legislature, Regular Session, which prohibits people from providing abortion-inducing drugs by mail or delivery service, strengthens the laws applicable to the reporting of abortions and abortion complications, and ensures that no abortion-inducing drugs are provided unless there is voluntary and informed consent.

Legislation similar to House Bill 3507 from the 87th Legislature, Regular Session, relating to a "thirteenth check" or one-time supplemental payment of benefits under the Teacher Retirement System of Texas.

Legislation similar to House Bill 3979 concerning critical race theory as originally passed by the Texas Senate in the 87th Legislature, Regular Session.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9AM O'CLOCK

JUL 07 2021

Governor Greg Abbott
July 7, 2021

Proclamation
Page 2

Legislation providing appropriations from additional available general revenue for the following purposes:

- property-tax relief;
- enhanced protection for the safety of children in Texas' foster-care system by attracting and retaining private providers for the system; and
- to better safeguard the state from potential cybersecurity threats.

To consider and act upon such other subjects as may be submitted by the Governor from time to time after the session convenes.

The Secretary of State will take notice of this action and will notify the members of the legislature of my action.



IN TESTIMONY WHEREOF, I have hereto signed my name and have officially caused the Seal of State to be affixed at my Office in the City of Austin, Texas, this the 7th day of July, 2021.

A handwritten signature in black ink that reads "Greg Abbott".

GREG ABBOTT
Governor of Texas

Attested by:

A handwritten signature in black ink that reads "Joe A. Esparza".

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9AM O'CLOCK

JUL 07 2021

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
DEFENDANTS' MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

August 5, 2021 Proclamation by the Governor of the State of Texas

EXHIBIT A-20



GOVERNOR GREG ABBOTT

August 5, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12 P.M. O'CLOCK

AUG 05 2021

Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Mr. Deputy Secretary:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

A proclamation calling an extraordinary session of the 87th Legislature, to convene in the City of Austin, commencing at 12 p.m. noon on Saturday, August 7, 2021.

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,


Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

PROCLAMATION
BY THE
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, GREG ABBOTT, GOVERNOR OF THE STATE OF TEXAS, by the authority vested in me by Article III, Sections 5 and 40, and Article IV, Section 8 of the Texas Constitution, do hereby call an extraordinary session of the 87th Legislature, to convene in the City of Austin, commencing at 12:00 p.m. on Saturday, August 7, 2021, for the following purposes:

To consider and act upon the following:

Legislation reforming the bail system in Texas to protect the public from accused criminals who may be released on bail.

Legislation strengthening the integrity of elections in Texas.

Legislation providing appropriations from unappropriated available revenues for COVID-19-related healthcare expenses, such as those listed below, taking into consideration the approximately \$10.5 billion in funds received by local governments intended to be used on COVID-19 from the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2:

- healthcare staffing needs, including physicians, nurses, and other medical professionals;
- establishing, staffing, and operating alternative care sites;
- supporting the operations of nursing homes, state supported living centers, assisted living facilities, and long-term care facilities;
- vaccine administration;
- testing sites;
- supplies and equipment, such as personal protective equipment (PPE) and ventilators; and
- standing up and operating infusion centers.

Legislation providing strategies for public-school education in prekindergarten through twelfth grade during the COVID-19 pandemic, which ensures:

- students receive a high-quality education and progress in their learning;
- in-person learning is available for any student whose parent wants it;
- the wearing of face coverings is not mandatory; and
- COVID-19 vaccinations are always voluntary.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12 p.m. O'CLOCK

AUG 05 2021

Governor Greg Abbott
August 5, 2021

Proclamation
Page 2

Legislation enhancing criminal laws or providing funding from unappropriated available revenues to support law-enforcement agencies, counties, and other strategies as part of Texas' comprehensive border security plan.

Legislation safeguarding the freedom of speech by protecting social-media and email users from being censored based on the user's expressed viewpoints, including by providing a legal remedy for those wrongfully excluded from a platform.

Legislation providing appropriations from unappropriated available revenues to the Legislature and legislative agencies in Article X of the General Appropriations Act.

Legislation similar to Senate Bill 1109 from the 87th Legislature, Regular Session, requiring schools to provide appropriate education to middle- and high-school students about dating violence, domestic violence, and child abuse, but that recognizes the right of parents to opt their children out of the instruction.

Legislation identical to Senate Bill 29 as passed by the Texas Senate in the 87th Legislature, Regular Session, disallowing a student from competing in University Interscholastic League athletic competitions designated for the sex opposite to the student's sex at birth.

Legislation similar to Senate Bill 394 from the 87th Legislature, Regular Session, which prohibits people from providing abortion-inducing drugs by mail or delivery service, strengthens the laws applicable to the reporting of abortions and abortion complications, and ensures that no abortion-inducing drugs are provided unless there is voluntary and informed consent.

Legislation similar to House Bill 3507 from the 87th Legislature, Regular Session, relating to a "thirteenth check" or one-time supplemental payment of benefits under the Teacher Retirement System of Texas.

Legislation similar to House Bill 3979 concerning critical race theory as originally passed by the Texas Senate in the 87th Legislature, Regular Session.

Legislation providing appropriations from unappropriated available revenues for the following purposes:

- property-tax relief;
- enhanced protection for the safety of children in Texas' foster-care system by attracting and retaining private providers for the system; and
- to better safeguard the state from potential cybersecurity threats.

Legislation modifying the filing periods and related election dates, including any runoffs, for primary elections held in Texas in 2022.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12 P.M. O'CLOCK

AUG 05 2021

Governor Greg Abbott
August 5, 2021

Proclamation
Page 3

Legislation reforming the laws governing radioactive waste to protect the safety of Texans, including by further limiting the ability to store and transport high-level radioactive materials in this state.

Legislation shielding private employers and employees from political subdivision rules, regulations, ordinances, and other actions that require any terms of employment that exceed or conflict with federal or state law relating to any form of employment leave, hiring practices, employment benefits, or scheduling practices.

Legislation relating to legislative quorum requirements.

To consider and act upon such other subjects as may be submitted by the Governor from time to time after the session convenes.

The Secretary of State will take notice of this action and will notify the members of the legislature of my action.



IN TESTIMONY WHEREOF, I have hereto signed my name and have officially caused the Seal of State to be affixed at my Office in the City of Austin, Texas, this the 5th day of August, 2021.

A handwritten signature in black ink that reads "Greg Abbott".

GREG ABBOTT
Governor of Texas

Attested by:

A handwritten signature in black ink that reads "Joe A. Esparza".

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
12 p.m. O'CLOCK
AUG 05 2021

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
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JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 12

EXHIBIT A-21

S.B. No. 12

AN ACT

relating to the reduction of the amount of a limitation on the total amount of ad valorem taxes that may be imposed by a school district on the residence homestead of an individual who is elderly or disabled to reflect any reduction from the preceding tax year in the district's maximum compressed rate and to the protection of school districts against the resulting loss in local revenue.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section [11.26](#), Tax Code, is amended by adding Subsections (a-4), (a-5), (a-6), (a-7), (a-8), (a-9), and (a-10) to read as follows:

(a-4) In this section, "maximum compressed rate" means the maximum compressed rate of a school district as calculated under Section [48.2551](#), Education Code.

(a-5) Notwithstanding the other provisions of this section, if in the 2023 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section [11.13](#)(c) for the same homestead was a tax year before the 2019 tax year, the amount of the limitation provided by this section on the homestead in the 2023 tax year is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the 2018 tax year by a tax rate equal to the difference between the

S.B. No. 12

1 school district's tier one maintenance and operations rate for the
2 2018 tax year and the district's maximum compressed rate for the
3 2019 tax year;

4 (2) subtracting the greater of zero or the amount
5 computed under Subdivision (1) from the amount of tax the district
6 imposed on the homestead in the 2018 tax year;

7 (3) adding any tax imposed in the 2019 tax year
8 attributable to improvements made in the 2018 tax year as provided
9 by Subsection (b) to the amount computed under Subdivision (2);

10 (4) multiplying the taxable value of the homestead in
11 the 2019 tax year by a tax rate equal to the difference between the
12 district's maximum compressed rate for the 2019 tax year and the
13 district's maximum compressed rate for the 2020 tax year;

14 (5) subtracting the amount computed under Subdivision
15 (4) from the amount computed under Subdivision (3);

16 (6) adding any tax imposed in the 2020 tax year
17 attributable to improvements made in the 2019 tax year as provided
18 by Subsection (b) to the amount computed under Subdivision (5);

19 (7) multiplying the taxable value of the homestead in
20 the 2020 tax year by a tax rate equal to the difference between the
21 district's maximum compressed rate for the 2020 tax year and the
22 district's maximum compressed rate for the 2021 tax year;

23 (8) subtracting the amount computed under Subdivision
24 (7) from the amount computed under Subdivision (6);

25 (9) adding any tax imposed in the 2021 tax year
26 attributable to improvements made in the 2020 tax year as provided
27 by Subsection (b) to the amount computed under Subdivision (8);

S.B. No. 12

1 (10) multiplying the taxable value of the homestead in
2 the 2021 tax year by a tax rate equal to the difference between the
3 district's maximum compressed rate for the 2021 tax year and the
4 district's maximum compressed rate for the 2022 tax year;

5 (11) subtracting the amount computed under
6 Subdivision (10) from the amount computed under Subdivision (9);

7 (12) adding any tax imposed in the 2022 tax year
8 attributable to improvements made in the 2021 tax year as provided
9 by Subsection (b) to the amount computed under Subdivision (11);

10 (13) multiplying the taxable value of the homestead in
11 the 2022 tax year by a tax rate equal to the difference between the
12 district's maximum compressed rate for the 2022 tax year and the
13 district's maximum compressed rate for the 2023 tax year;

14 (14) subtracting the amount computed under
15 Subdivision (13) from the amount computed under Subdivision (12);
16 and

17 (15) adding any tax imposed in the 2023 tax year
18 attributable to improvements made in the 2022 tax year as provided
19 by Subsection (b) to the amount computed under Subdivision (14).

20 (a-6) Notwithstanding the other provisions of this section,
21 if in the 2023 tax year an individual qualifies for a limitation on
22 tax increases provided by this section on the individual's
23 residence homestead and the first tax year the individual or the
24 individual's spouse qualified for an exemption under Section
25 11.13(c) for the same homestead was the 2019 tax year, the amount of
26 the limitation provided by this section on the homestead in the 2023
27 tax year is equal to the amount computed by:

S.B. No. 12

1 (1) multiplying the taxable value of the homestead in
2 the 2019 tax year by a tax rate equal to the difference between the
3 school district's maximum compressed rate for the 2019 tax year and
4 the district's maximum compressed rate for the 2020 tax year;

5 (2) subtracting the amount computed under Subdivision
6 (1) from the amount of tax the district imposed on the homestead in
7 the 2019 tax year;

8 (3) adding any tax imposed in the 2020 tax year
9 attributable to improvements made in the 2019 tax year as provided
10 by Subsection (b) to the amount computed under Subdivision (2);

11 (4) multiplying the taxable value of the homestead in
12 the 2020 tax year by a tax rate equal to the difference between the
13 district's maximum compressed rate for the 2020 tax year and the
14 district's maximum compressed rate for the 2021 tax year;

15 (5) subtracting the amount computed under Subdivision
16 (4) from the amount computed under Subdivision (3);

17 (6) adding any tax imposed in the 2021 tax year
18 attributable to improvements made in the 2020 tax year as provided
19 by Subsection (b) to the amount computed under Subdivision (5);

20 (7) multiplying the taxable value of the homestead in
21 the 2021 tax year by a tax rate equal to the difference between the
22 district's maximum compressed rate for the 2021 tax year and the
23 district's maximum compressed rate for the 2022 tax year;

24 (8) subtracting the amount computed under Subdivision
25 (7) from the amount computed under Subdivision (6);

26 (9) adding any tax imposed in the 2022 tax year
27 attributable to improvements made in the 2021 tax year as provided

S.B. No. 12

1 by Subsection (b) to the amount computed under Subdivision (8);

2 (10) multiplying the taxable value of the homestead in
3 the 2022 tax year by a tax rate equal to the difference between the
4 district's maximum compressed rate for the 2022 tax year and the
5 district's maximum compressed rate for the 2023 tax year;

6 (11) subtracting the amount computed under
7 Subdivision (10) from the amount computed under Subdivision (9);
8 and

9 (12) adding any tax imposed in the 2023 tax year
10 attributable to improvements made in the 2022 tax year as provided
11 by Subsection (b) to the amount computed under Subdivision (11).

12 (a-7) Notwithstanding the other provisions of this section,
13 if in the 2023 tax year an individual qualifies for a limitation on
14 tax increases provided by this section on the individual's
15 residence homestead and the first tax year the individual or the
16 individual's spouse qualified for an exemption under Section
17 11.13(c) for the same homestead was the 2020 tax year, the amount of
18 the limitation provided by this section on the homestead in the 2023
19 tax year is equal to the amount computed by:

20 (1) multiplying the taxable value of the homestead in
21 the 2020 tax year by a tax rate equal to the difference between the
22 school district's maximum compressed rate for the 2020 tax year and
23 the district's maximum compressed rate for the 2021 tax year;

24 (2) subtracting the amount computed under Subdivision
25 (1) from the amount of tax the district imposed on the homestead in
26 the 2020 tax year;

27 (3) adding any tax imposed in the 2021 tax year

S.B. No. 12

1 attributable to improvements made in the 2020 tax year as provided
2 by Subsection (b) to the amount computed under Subdivision (2);

3 (4) multiplying the taxable value of the homestead in
4 the 2021 tax year by a tax rate equal to the difference between the
5 district's maximum compressed rate for the 2021 tax year and the
6 district's maximum compressed rate for the 2022 tax year;

7 (5) subtracting the amount computed under Subdivision
8 (4) from the amount computed under Subdivision (3);

9 (6) adding any tax imposed in the 2022 tax year
10 attributable to improvements made in the 2021 tax year as provided
11 by Subsection (b) to the amount computed under Subdivision (5);

12 (7) multiplying the taxable value of the homestead in
13 the 2022 tax year by a tax rate equal to the difference between the
14 district's maximum compressed rate for the 2022 tax year and the
15 district's maximum compressed rate for the 2023 tax year;

16 (8) subtracting the amount computed under Subdivision
17 (7) from the amount computed under Subdivision (6); and

18 (9) adding any tax imposed in the 2023 tax year
19 attributable to improvements made in the 2022 tax year as provided
20 by Subsection (b) to the amount computed under Subdivision (8).

21 (a-8) Notwithstanding the other provisions of this section,
22 if in the 2023 tax year an individual qualifies for a limitation on
23 tax increases provided by this section on the individual's
24 residence homestead and the first tax year the individual or the
25 individual's spouse qualified for an exemption under Section
26 11.13(c) for the same homestead was the 2021 tax year, the amount of
27 the limitation provided by this section on the homestead in the 2023

S.B. No. 12

1 tax year is equal to the amount computed by:

2 (1) multiplying the taxable value of the homestead in
3 the 2021 tax year by a tax rate equal to the difference between the
4 school district's maximum compressed rate for the 2021 tax year and
5 the district's maximum compressed rate for the 2022 tax year;

6 (2) subtracting the amount computed under Subdivision
7 (1) from the amount of tax the district imposed on the homestead in
8 the 2021 tax year;

9 (3) adding any tax imposed in the 2022 tax year
10 attributable to improvements made in the 2021 tax year as provided
11 by Subsection (b) to the amount computed under Subdivision (2);

12 (4) multiplying the taxable value of the homestead in
13 the 2022 tax year by a tax rate equal to the difference between the
14 school district's maximum compressed rate for the 2022 tax year and
15 the district's maximum compressed rate for the 2023 tax year;

16 (5) subtracting the amount computed under Subdivision
17 (4) from the amount computed under Subdivision (3); and

18 (6) adding any tax imposed in the 2023 tax year
19 attributable to improvements made in the 2022 tax year as provided
20 by Subsection (b) to the amount computed under Subdivision (5).

21 (a-9) Notwithstanding the other provisions of this section,
22 if in the 2023 tax year an individual qualifies for a limitation on
23 tax increases provided by this section on the individual's
24 residence homestead and the first tax year the individual or the
25 individual's spouse qualified for an exemption under Section
26 11.13(c) for the same homestead was the 2022 tax year, the amount of
27 the limitation provided by this section on the homestead in the 2023

S.B. No. 12

1 tax year is equal to the amount computed by:

2 (1) multiplying the taxable value of the homestead in
3 the 2022 tax year by a tax rate equal to the difference between the
4 school district's maximum compressed rate for the 2022 tax year and
5 the district's maximum compressed rate for the 2023 tax year;

6 (2) subtracting the amount computed under Subdivision
7 (1) from the amount of tax the district imposed on the homestead in
8 the 2022 tax year; and

9 (3) adding any tax imposed in the 2023 tax year
10 attributable to improvements made in the 2022 tax year as provided
11 by Subsection (b) to the amount computed under Subdivision (2).

12 (a-10) Notwithstanding the other provisions of this
13 section, if in the 2024 or a subsequent tax year an individual
14 qualifies for a limitation on tax increases provided by this
15 section on the individual's residence homestead, the amount of the
16 limitation provided by this section on the homestead is equal to the
17 amount computed by:

18 (1) multiplying the taxable value of the homestead in
19 the preceding tax year by a tax rate equal to the difference between
20 the school district's maximum compressed rate for the preceding tax
21 year and the district's maximum compressed rate for the current tax
22 year;

23 (2) subtracting the amount computed under Subdivision
24 (1) from the amount of tax the district imposed on the homestead in
25 the preceding tax year; and

26 (3) adding any tax imposed in the current tax year
27 attributable to improvements made in the preceding tax year as

S.B. No. 12

1 provided by Subsection (b) to the amount computed under Subdivision
 2 (2).

3 SECTION 2. Subchapter F, Chapter 48, Education Code, is
 4 amended by adding Section 48.2542 to read as follows:

5 Sec. 48.2542. ADDITIONAL STATE AID FOR ADJUSTMENT OF
 6 LIMITATION ON TAX INCREASES ON HOMESTEAD OF ELDERLY OR DISABLED.
 7 Notwithstanding any other provision of this chapter, if a school
 8 district is not fully compensated through state aid or the
 9 calculation of excess local revenue under this chapter based on the
 10 determination of the district's taxable value of property under
 11 Subchapter M, Chapter 403, Government Code, the district is
 12 entitled to additional state aid in the amount necessary to fully
 13 compensate the district for the amount of ad valorem tax revenue
 14 lost due to a reduction of the amount of the limitation on tax
 15 increases provided by Sections 11.26(a-4), (a-5), (a-6), (a-7),
 16 (a-8), (a-9), and (a-10), Tax Code, as applicable.

17 SECTION 3. Section 48.2551(d), Education Code, is amended
 18 to read as follows:

19 (d) The agency shall:

20 (1) calculate and make available school districts'
 21 maximum compressed rates, as determined under this section; and
 22 (2) post the information described by Section 48.2556
 23 on the agency's Internet website as required by that section.

24 SECTION 4. Subchapter F, Chapter 48, Education Code, is
 25 amended by adding Section 48.2556 to read as follows:

26 Sec. 48.2556. POSTING ON AGENCY WEBSITE OF INFORMATION
 27 RELATED TO REDUCTION OF LIMITATION OF TAX ON HOMESTEADS OF ELDERLY

S.B. No. 12

1 OR DISABLED. (a) The agency shall post the following information
 2 on the agency's Internet website for purposes of allowing the chief
 3 appraiser of each appraisal district and the assessor for each
 4 school district to make the calculations required by Sections
 5 11.26(a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code:

6 (1) each school district's maximum compressed rate, as
 7 determined under Section 48.2551, for each tax year beginning with
 8 the 2019 tax year; and

9 (2) each school district's tier one maintenance and
 10 operations tax rate, as provided by Section 45.0032(a), for the
 11 2018 tax year.

12 (b) The agency shall post each school district's maximum
 13 compressed rate for the current tax year, as determined under
 14 Section 48.2551, promptly after calculating the rate. If, for the
 15 2023 or a subsequent tax year, the agency calculates a preliminary
 16 rate before calculating a final rate, the agency shall post the
 17 preliminary rate, and the chief appraiser of each appraisal
 18 district and the assessor for each school district shall use the
 19 preliminary rate to make the calculations described by Subsection
 20 (a).

21 (c) The agency shall notify the chief appraiser of each
 22 appraisal district and the assessor for each school district when
 23 the agency has complied with Subsection (b). The notice must
 24 include the location on the agency's Internet website at which the
 25 information required by this section to be posted may be found.

26 SECTION 5. Section 403.302, Government Code, is amended by
 27 adding Subsection (j-1) to read as follows:

S.B. No. 12

1 (j-1) In the final certification of the study under
2 Subsection (j), the comptroller shall separately identify the final
3 taxable value for each school district as adjusted to account for
4 the reduction of the amount of the limitation on tax increases
5 provided by Sections 11.26(a-4), (a-5), (a-6), (a-7), (a-8), (a-9),
6 and (a-10), Tax Code, as applicable.

7 SECTION 6. This Act applies only to ad valorem taxes imposed
8 for a tax year beginning on or after the effective date of this Act.

9 SECTION 7. This Act takes effect January 1, 2023, but only
10 if the constitutional amendment proposed by the 87th Legislature,
11 2nd Called Session, 2021, authorizing the legislature to provide
12 for the reduction of the amount of a limitation on the total amount
13 of ad valorem taxes that may be imposed for general elementary and
14 secondary public school purposes on the residence homestead of a
15 person who is elderly or disabled to reflect any statutory
16 reduction from the preceding tax year in the maximum compressed
17 rate of the maintenance and operations taxes imposed for those
18 purposes on the homestead is approved by the voters. If that
19 amendment is not approved by the voters, this Act has no effect.

S.B. No. 12

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/>	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/>
President of the Senate	Speaker of the House

I hereby certify that S.B. No. 12 passed the Senate on August 9, 2021, by the following vote: Yeas 29, Nays 0; and that the Senate concurred in House amendment on August 29, 2021, by the following vote: Yeas 31, Nays 0.

	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/>
	Secretary of the Senate

I hereby certify that S.B. No. 12 passed the House, with amendment, on August 27, 2021, by the following vote: Yeas 121, Nays 0, one present not voting.

	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/>
	Chief Clerk of the House

Approved:

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/>
Date

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/>
Governor

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

S.B. No. 12 Fiscal Note

EXHIBIT A-22

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATURE 2nd CALLED SESSION 2021

August 27, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB12 by Bettencourt (relating to the reduction of the amount of a limitation on the total amount of ad valorem taxes that may be imposed by a school district on the residence homestead of an individual who is elderly or disabled to reflect any reduction from the preceding tax year in the district 's maximum compressed rate and to the protection of school districts against the resulting loss in local revenue.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB12, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023. However, a negative impact of (\$467.5 million) is expected in the biennium ending August 31, 2025.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	(\$219,348,876)
2025	(\$248,120,464)
2026	(\$276,892,052)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Foundation School Fund 193</i>	<i>Probable Revenue Gain/(Loss) from School Districts</i>
2022	\$0	\$0
2023	\$0	\$0
2024	(\$219,348,876)	(\$219,348,876)
2025	(\$248,120,464)	(\$248,120,464)
2026	(\$276,892,052)	(\$276,892,052)

Fiscal Analysis

The bill would amend Section 11.26 of the Tax Code, regarding the limitation of school tax on homesteads of elderly or disabled. The bill would recalculate school district tax limitations (tax ceiling) on residence homesteads for individuals who are 65 or over or disabled to reflect reductions in school district maximum compressed tax rates for 2019 and subsequent tax years.

The bill specifies certain calculations for the 2023 tax year to adjust the tax limitation for certain individuals (tax ceiling) based on the year they were first eligible to receive the limitation to account for tax rate

reductions and ongoing tax rate compression passed by the 86th Legislature. For the 2023 tax year and subsequent tax years, the tax ceiling is computed by the prior year tax amount minus the rate reduction from compression (prior year maximum compressed rate minus current year maximum compressed rate) and adjusting for any tax attributable to new improvements.

The bill would amend Chapter 48 of the Education Code, regarding the Foundation School Program, to require that the state hold school districts harmless for tax revenue losses resulting from tax ceiling reductions. School districts would be entitled to additional state aid to the extent state aid under the current formulas does not fully reimburse them for the tax revenue losses. The bill would require the Texas Education Agency post certain information on the agency's website.

The bill would amend Chapter 403 of the Government Code, regarding the Comptroller's Property Value Study, to require the Comptroller separately identify the final taxable value for each school district to account for the reduction in tax ceilings.

The bill would be effective January 1, 2023, contingent on voter approval of a constitutional amendment (SJR 2).

Methodology

This estimate is based on information from the United States Census Bureau and from appraisal districts. The average taxable value of a 65-and-over homestead was estimated for each year from 2000 through 2020. The statewide school district weighted average tax rate was applied in each year to estimate the typical tax limitation in each year. The costs were stratified in five-year groups and an average cost was estimated for each group. The rate reductions as specified in the bill were calculated for each group and summed to estimate the initial statewide total cost to school districts in tax year 2023. For subsequent tax years, projected rate reductions were applied to estimated growth in the average taxable value of 65-and-over homesteads to estimate future tax ceiling reductions.

If school district property tax rates decreased from the preceding year, homestead owners subject to the limitation would have their limitation reduced. A continuous tax ceiling adjustment would effectively exempt future taxable property value growth after the ceiling is imposed and continue decreasing all tax ceilings as long as there is a reduction in a school district's maximum compressed rate (MCR). This analysis assumes a continuing 1 cent reduction in MCR each year after 2022. Larger reductions of the MCR would impose additional cost. The impact will vary depending on property value growth and the level of tax rate reduction.

Because the bill would hold school districts harmless for all property tax revenue losses from tax ceiling reductions, the cost would be transferred to the state. Therefore, there would be no losses to local taxing units.

There would be no administrative costs to the Comptroller's office.

Local Government Impact

The fiscal implication for school districts is shown in the table above.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, AF, BRI

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

Act No. 134

EXHIBIT A-23

2021 Regular Session

ACT No. 134

ENROLLED

SENATE BILL NO. 159

BY SENATORS ALLAIN AND JOHNS AND REPRESENTATIVE BISHOP

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to
3 income tax; to provide a maximum rate of individual income tax; to provide with
4 respect to the deductibility of federal income tax for purposes of computing state
5 income tax; to eliminate the mandatory deduction for federal income taxes; and to
6 specify an election for submission of the proposition to electors and provide a ballot
7 proposition.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9 elected to each house concurring, that there shall be submitted to the electors of the state, for
10 their approval or rejection in the manner provided by law, a proposal to amend Article VII,
11 Section 4(A) of the Constitution of Louisiana, to read as follows:

12 §4. Income Tax; Severance Tax; Political Subdivisions

13 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
14 incomes, and these taxes may be graduated according to the amount of net income.
15 However, the maximum state individual ~~and joint income tax schedule of rates and~~
16 ~~brackets shall never exceed the rates and brackets set forth in Title 47 of the~~
17 ~~Louisiana Revised Statutes on January 1, 2003~~ **rate shall not exceed four and**
18 **three-quarters percent for tax years beginning after December 31, 2021.** Federal
19 income taxes paid ~~shall~~ **may** be allowed as a deductible item in computing state
20 income taxes for the same period **as provided by law.**

21 Section 2. Be it further resolved that this proposed amendment shall be submitted
22 to the electors of the state of Louisiana at the statewide election to be held on
23 October 9, 2021.

ENROLLED

1 Section 3. Be it further resolved that on the official ballot to be used at said election
2 there shall be printed a proposition, upon which the electors of the state shall be permitted
3 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
4 follows:

5 Do you support an amendment to lower the maximum allowable rate of
6 individual income tax and to authorize the legislature to provide by law for
7 a deduction for federal income taxes paid?

8 (Amends Article VII, Section 4(A))

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS' COMBINED RESPONSE TO
DEFENDANTS' MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

The Official Journal of the Senate of the State of Louisiana – Thirty-Fourth Day's Proceedings
(excerpts)

EXHIBIT A-24

**THE OFFICIAL JOURNAL
OF THE
SENATE
OF THE
STATE OF LOUISIANA**

THIRTY-FOURTH DAY'S PROCEEDINGS

**Forty-Seventh Regular Session of the Legislature
Under the Adoption of the
Constitution of 1974**

Senate Chamber
State Capitol
Baton Rouge, Louisiana

Thursday, June 10, 2021

The Senate was called to order at 9:35 o'clock A.M. by Hon. Patrick Page Cortez, President of the Senate.

**Morning Hour
CONVENING ROLL CALL**

The roll being called, the following members answered to their names:

PRESENT

Mr. President	Henry	Morris
Abraham	Hensgens	Peacock
Allain	Hewitt	Peterson
Barrow	Jackson	Pope
Bernard	Johns	Price
Boudreaux	Lambert	Reese
Bouie	Luneau	Smith
Cathey	McMath	Talbot
Fesi	Milligan	Ward
Fields	Mills, F.	Womack
Foil	Mills, R.	
Harris	Mizell	
Total - 34		

ABSENT

Cloud	Tarver
Connick	White
Total - 4	

The President of the Senate announced there were 34 Senators present and a quorum.

Prayer

The prayer was offered by Senator Beth Mizell, following which the Senate joined in the Pledge of Allegiance to the flag of the United States of America.

Reading of the Journal

On motion of Senator Lambert, the reading of the Journal was dispensed with and the Journal of June 9, 2021, was adopted.

**Petitions, Memorials and
Communications**

The following petitions, memorials and communications were received and read:

LOUISIANA LEGISLATIVE AUDITOR

April 27, 2021

The Honorable Patrick "Page" Cortez, President
Louisiana State Senate

Post Office Box 94183
Baton Rouge, Louisiana 70804-9183

Dear President Cortez:

In accordance with Louisiana Revised Statute 24:511(E), I have appointed Mr. Ernest F. Summerville, Jr. as First Assistant Legislative Auditor, effective May 3, 2021. Mr. Summerville is replacing Thomas H. Cole, who will be retiring from our agency.

In that regard, I hereby acknowledge the following appointment and submit to you the name for consideration of Senate confirmation as required by law.

FIRST ASSISTANT LEGISLATIVE AUDITOR
(Effective May 3, 2021)
Mr. Ernest F. Summerville Jr., CPA
1600 North Third Street
Baton Rouge, LA 70802
(225) 339-3931

Thank you in advance for your attention to this important matter, and please contact me should you have any questions or need additional information.

Sincerely,
MICHAEL J. WAGUESPACK, CPA
Legislative Auditor

Messages from the Governor

The following messages from the Governor were received and read as follows:

**OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

June 9, 2021

Honorable Clay J. Schexnayder Speaker of the House Louisiana House of Representatives Post Office Box 94062 Baton Rouge, Louisiana 70804	Honorable Patrick Page Cortez President Louisiana State Senate Post Office Box 94183 Baton Rouge, Louisiana 70804
--	---

Re: Line Item Vetoes in House Bill 1 of the 2021 Regular Session

Dear Speaker Schexnayder and President Cortez:

Please allow this letter to inform you that I have signed House Bill 1 of the 2021 Regular Session. However, I have exercised my line item veto authority granted to me to veto 8 items.

I have exercised my line item veto authority as follows:

Veto No. 1: Delete Lines 16-19 on Page 4 of 230, beginning with the last sentence ("Any subsequent change . . ."): This language is unnecessary, as this oversight of the Personal Services expenditure categories is already performed by the Executive Branch. Further, this provision violates Article II, Section 2 of the Louisiana Constitution.

Veto No. 2: Delete Lines 21-25 on Page 12 of 230: This language is unnecessary, as this information is already provided throughout the bill. Additionally, this oversight is afforded to the Joint Legislative Committee on the Budget through the budget adjustment process.

Veto No. 3: Delete Lines 26-30 on Page 12 of 230: This language is unnecessary, as this oversight of agency expenditures is already performed by the Executive Branch.

Veto No. 4: Delete Lines 46-48 of Page 18 of 230: This amendment would reduce necessary funding for operating services and contractual obligations.

Page 2 SENATE

June 10, 2021

34th DAY'S PROCEEDINGS

Veto No. 5: Deleted Lines 1-3 on Page 20 of 230: This language is unnecessary oversight of the Homeowners Assistance Fund program. Further, this provision violates Article II, Section 2 of the Louisiana Constitution.

Veto No. 6 Delete Lines 23-35 on Page 88 of 230: The entities that are transferring the funds are in the best position to identify or verify the source of their funds set for transfer, not the Department. Thus, the transferring entity is the entity which should certify as to the fact that the funds transferred are "public funds" pursuant to federal regulation. Further, this provision violates Article II, Section 2 of the Louisiana Constitution.

Veto No. 7 Delete lines 12-13 on Page 197 of 230: This item contains an unnecessary appropriation.

Veto No. 8 Delete Lines 38-40 on Page 199 of 230: This item contains an unnecessary appropriation.

Enclosed is a copy of the signed version of House Bill 1. I have sent the original to the Secretary of State.

Sincerely,
JOHN BEL EDWARDS
Governor

OFFICE OF THE GOVERNOR STATE OF LOUISIANA

June 9, 2021

Honorable Clay J. Schexnayder
Speaker of the House
Louisiana House of Representatives
Post Office Box 94062
Baton Rouge, Louisiana 70804

Honorable Patrick Page Cortez
President
Louisiana State Senate
Post Office Box 94183
Baton Rouge, Louisiana 70804

Re: Line Item Vetoes in House Bill 516 of the 2021 Regular Session

Dear Speaker Schexnayder and President Cortez:

Please allow this letter to inform you that I have signed House Bill 516 of the 2021 Regular Session. However, I have exercised my line item veto authority granted to me to veto 4 items.

I have exercised my line item veto authority as follows:

Veto No. 1: Delete Lines 40-41 on Page 27 of 36: This item contains an unnecessary appropriation.

Veto No. 2: Delete Lines 12-14 on Page 29 of 36: This item contains an unnecessary appropriation.

Veto No. 3: Delete Lines 23-24 on Page 30 of 36: This item contains an unnecessary appropriation.

Veto No. 4: Delete Lines 33-35 on Page 30 of 36: This item contains an unnecessary appropriation.

Enclosed is a copy of the signed version of House Bill 516. I have sent the original to the Secretary of State.

Sincerely,
JOHN BEL EDWARDS
Governor

Message from the House

CONCURRING IN SENATE CONCURRENT RESOLUTIONS

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has finally concurred in the following Senate Concurrent Resolutions:

SENATE CONCURRENT RESOLUTION NO. 59— BY SENATOR BERNARD

A CONCURRENT RESOLUTION

To urge and request the office of public health of the Louisiana Department of Health to study and submit a report relative to health care infrastructure needs in Louisiana.

Reported without amendments.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House

DISAGREEMENT TO HOUSE BILL

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has refused to concur in the proposed Senate Amendment(s) to **House Bill No. 137** by Representative Duplessis, and ask the President to appoint on the part of the Senate a committee to confer with a like committee from the House on the disagreement; and to inform your honorable body that the Speaker of the House of Representatives has appointed the following members as conferees on the part of the House:

Representatives Duplessis, James and Magee.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House

DISAGREEMENT TO HOUSE BILL

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has refused to concur in the proposed Senate Amendment(s) to **House Bill No. 183** by Representative Brown, and ask the President to appoint on the part of the Senate a committee to confer with a like committee from the House on the disagreement; and to inform your honorable body that the Speaker of the House of Representatives has appointed the following members as conferees on the part of the House:

Representatives Brown, Carpenter and Stefanski.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

34th DAY'S PROCEEDINGS

Page 3 SENATE

June 10, 2021

Message from the House DISAGREEMENT TO HOUSE BILL

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has refused to concur in the proposed Senate Amendment(s) to **House Bill No. 678** by Representative Duplessis, and ask the President to appoint on the part of the Senate a committee to confer with a like committee from the House on the disagreement; and to inform your honorable body that the Speaker of the House of Representatives has appointed the following members as conferees on the part of the House:

Representatives Duplessis, Bishop and Ivey.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House ADOPTION OF CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **Senate Bill No. 10**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House ADOPTION OF CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **Senate Bill No. 154**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House ADOPTION OF CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **House Bill No. 38**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House

ADOPTION OF CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **House Bill No. 188**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House

ADOPTION OF CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **House Bill No. 278**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House

ADOPTION OF CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **House Bill No. 292**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Message from the House

ADOPTION OF CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **House Bill No. 423**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

Page 4 SENATE

June 10, 2021

34th DAY'S PROCEEDINGS**Message from the House****ADOPTION OF
CONFERENCE COMMITTEE REPORT**

June 9, 2021

To the Honorable President and Members of the Senate:

I am directed to inform your honorable body that the House of Representatives has adopted the Report of the Conference Committee on the disagreement to **House Bill No. 647**.

Respectfully submitted,
MICHELLE D. FONTENOT
Clerk of the House of Representatives

**Appointment of Conference Committee
on House Bill No. 137**

The President of the Senate appointed to the Conference Committee on **House Bill No. 137** the following members of the Senate:

Senators Cortez,
Smith
and Bouie.

**Appointment of Conference Committee
on House Bill No. 183**

The President of the Senate appointed to the Conference Committee on **House Bill No. 183** the following members of the Senate:

Senators Luneau,
Reese
and Womack.

**Appointment of Conference Committee
on House Bill No. 678**

The President of the Senate appointed to the Conference Committee on **House Bill No. 678** the following members of the Senate:

Senators Allain,
Ward
and Bouie.

Introduction of Senate Resolutions

Senator Boudreaux asked for and obtained a suspension of the rules to read Senate Resolutions a first and second time.

**SENATE RESOLUTION NO. 220—
BY SENATOR BOUDREAUX****A RESOLUTION**

To commend Gregg Gothreaux, President and CEO of the Lafayette Economic Development Authority for his accomplishments and service with LEDA for twenty-one years.

Senator Boudreaux moved adoption of the Senate Resolution.

ROLL CALL

The roll was called with the following result:

YEAS

Mr. President	Henry	Morris
Abraham	Hensgens	Peacock
Allain	Hewitt	Peterson

Barrow	Jackson	Pope
Bernard	Johns	Price
Boudreaux	Luneau	Reese
Cathey	McMath	Smith
Fesi	Milligan	Ward
Fields	Mills, F.	Womack
Foil	Mills, R.	
Harris	Mizell	
Total - 31		

NAYS

Total - 0

ABSENT

Bouie	Lambert	White
Cloud	Talbot	
Connick	Tarver	
Total - 7		

The Chair declared the Senate adopted the Senate Resolution.

Rules Suspended

Senator Ward asked for and obtained a suspension of the rules to take up at this time:

**Senate Bills and Joint Resolutions
Returned from the House of Representatives
with Amendments****SENATE BILL NO. 142—
BY SENATORS WARD, CORTEZ AND JOHNS
AN ACT**

To enact R.S. 4:199, R.S. 27:625(G) and R.S. 28:843, relative to sports wagering; to provide relative to revenue generated from sports wagering; to provide for appropriation; to create the Behavioral Health and Wellness Fund; to create the Sports Wagering Purse Supplemental Fund; and to provide for related matters.

The bill was read by title. Returned from the House of Representatives with amendments:

HOUSE COMMITTEE AMENDMENTS

Amendments proposed by House Committee on Appropriations to Reengrossed Senate Bill No. 142 by Senator Ward

AMENDMENT NO. 1
On page 1, line 5, change "Supplemental" to "Supplement"

AMENDMENT NO. 2
On page 1, delete line 13, and insert
"(1) Two percent of the monies collected pursuant to this Section, or five hundred thousand dollars, whichever is greater, shall be"

AMENDMENT NO. 3
On page 1, line 16, after **"(2)"** and before **"percent"** change **"Twenty"** to **"Twenty-five"**

AMENDMENT NO. 4
On page 2, line 2, after **"(3)"** and before **"percent"** change **"Ten"** to **"Twelve"**

AMENDMENT NO. 5
On page 2, delete line 5 and insert the following:
"(4) One percent of the monies collected pursuant to this Section shall be credited to the Sports Wagering Purse Supplement Fund"

AMENDMENT NO. 6
On page 2, line 6, after **"Sports"** and before **"Purse"** change **"Gaming"** to **"Wagering"**

34th DAY'S PROCEEDINGS**Page 5 SENATE**

June 10, 2021

AMENDMENT NO. 7

On page 2, line 10, after "**funds**" delete the remainder of the line and insert "**collected pursuant to this Section shall be credited to the state general fund.**"

AMENDMENT NO. 8

On page 2, line 12, change "**Supplemental**" to "**Supplement**"

AMENDMENT NO. 9

On page 2, line 14, after "**Wagering**" and before "**Fund**" delete "**Supplemental**" and insert "**Purse Supplement**"

AMENDMENT NO. 10

On page 2, line 15, after "**as**" and before "**fund**" insert "**the**"

AMENDMENT NO. 11

On page 3, line 22, after "**as**" and before "**fund**" insert "**the**"

HOUSE FLOOR AMENDMENTS

Amendments proposed by Representative Stefanski to Reengrossed Senate Bill No. 142 by Senator Ward

AMENDMENT NO. 1

On page 1, after "R.S. 27:625(G)" and before "and" insert "and 628"

AMENDMENT NO. 2

On page 1, line 5, after "Fund;" and before "and" insert "to create the Sports Wagering Local Allocation Fund;"

AMENDMENT NO. 3

On page 1, line 7, after "R.S. 27:625(G)" and before "hereby" delete "is" and insert "and 628 are"

AMENDMENT NO. 4

On page 2, delete lines 3 and 4 in their entirety and insert "**credited to the Sports Wagering Local Allocation Fund established by R.S. 27:628.**"

AMENDMENT NO. 5

On page 2, between lines 10 and 11, insert the following:

* * *

§628. Sports Wagering Local Allocation Fund

A. There is hereby created in the state treasury a special fund to be known as the Sports Wagering Local Allocation Fund, hereafter referred to as the "fund".

B. Monies in the fund shall be remitted monthly, by proportionate distribution, to each parish governing authority in which the taxable conduct pursuant to R.S. 27:625 occurred.

AMENDMENT NO. 6

On page 3, line 25, after "**Chapter**" and before "**shall**" insert a comma "," and insert "**except for monies deposited into the Compulsive and Problem Gaming Fund pursuant to the provisions of this Chapter, shall be credited to the fund. Monies in the fund**"

HOUSE FLOOR AMENDMENTS

Amendments proposed by Representative Lyons to Reengrossed Senate Bill No. 142 by Senator Ward

AMENDMENT NO. 1

Delete House Committee Amendment No. 7 by the House Committee on Appropriations (#3873)

AMENDMENT NO. 2

Delete House Committee Amendment No. 4 by the House Committee on Appropriations (#3873)

AMENDMENT NO. 3

On page 2, delete line 10 in its entirety and insert the following:
"(S) Two percent of the monies collected pursuant to this Section, or five hundred thousand dollars, whichever is greater,

shall be credited to the Disability Affairs Trust Fund established by R.S. 46:2583.

(6) Any remaining funds shall be available as state general funds.

Senator Ward moved to reject the amendments proposed by the House.

ROLL CALL

The roll was called with the following result:

YEAS

Mr. President	Hensgens	Peacock
Abraham	Hewitt	Peterson
Allain	Jackson	Pope
Barrow	Johns	Price
Bernard	Lambert	Reese
Boudreaux	Luneau	Smith
Bouie	McMath	Talbot
Cathey	Milligan	Ward
Fields	Mills, F.	White
Foil	Mills, R.	Womack
Harris	Mizell	
Henry	Morris	
Total - 34		

NAYS

Total - 0

ABSENT

Cloud	Fesi
Connick	Tarver
Total - 4	

The Chair declared the Senate rejected the amendments proposed by the House.

Rules Suspended

Senator Womack asked for and obtained a suspension of the rules to take up at this time:

**Senate Bills and Joint Resolutions
Returned from the House of Representatives
with Amendments, Subject to Call**

Called from the Calendar

Senator Womack asked that Senate Bill No. 188 be called from the Calendar.

SENATE BILL NO. 188—
BY SENATOR WOMACK

AN ACT

To amend and reenact R.S. 40:600.89(A)(1) and the introductory paragraph of (2), (c), and (e), relative to the Louisiana Housing Corporation; to provide relative to the board of directors; and to provide for related matters.

The bill was read by title. Returned from the House of Representatives with amendments:

HOUSE FLOOR AMENDMENTS

Amendments proposed by Representatives Riser and Gary Carter to Reengrossed Senate Bill No. 188 by Senator Womack

AMENDMENT NO. 1

On page 1, line 2, after "reenact" delete "R.S. 40:600.89(A)(1)" and insert in lieu thereof "R.S. 40:531(B)(2)(b) and 600.89(A)(1)"

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AMENDMENT NO. 2

On page 1, line 3, after "Corporation" and before "; to provide" insert "and local housing authorities"

AMENDMENT NO. 3

On page 1, line 4, after "directors;" and before "and to provide" insert "to provide for the appointment of landlord commissioners;"

AMENDMENT NO. 4

On page 1, line 6, delete "R.S. 40:600.89(A)(1)" and insert in lieu thereof "R.S. 40:531(B)(2)(b) and 600.89(A)(1)"

AMENDMENT NO. 5

On page 1, between lines 7 and 8, insert the following:
"§531. Appointment of commissioners to local housing authority

B. * * *
(2) * * *

(b) The one landlord commissioner shall be appointed by the mayor from a list of three nominees submitted by the Landlords Advisory Committee. No person who has or who is seeking a business or financial relationship with the housing authority or who otherwise has a conflict pursuant to the Code of Governmental Ethics regarding service on the housing authority shall be eligible to be appointed as a landlord commissioner. The committee shall meet within sixty days after any mayoral election is concluded or any vacancy in the landlord commissioner position and shall nominate the list of landlord commissioners as provided in this Subsection upon a majority vote of the members of the committee present and voting. The committee shall give notice of the purpose, time, and place of such a meeting through the landlord portal on the official website of the housing authority or by publication in the official journal of the city of New Orleans at least seven days prior to the date set for the hearing.

* * *

Senator Womack moved to concur in the amendments proposed by the House.

ROLL CALL

The roll was called with the following result:

YEAS

Mr. President	Henry	Peacock
Abraham	Hensgens	Pope
Allain	Hewitt	Price
Barrow	Jackson	Reese
Bernard	Johns	Smith
Boudreaux	Lambert	Talbot
Bouie	McMath	Tarver
Cloud	Milligan	Ward
Fesi	Mills, F.	White
Fields	Mills, R.	Womack
Foil	Mizell	
Harris	Morris	
Total - 34		

NAYS

Total - 0

ABSENT

Cathey	Luneau
Connick	Peterson
Total - 4	

The Chair declared the Senate concurred in the amendments proposed by the House.

34th DAY'S PROCEEDINGS**Conference Committee Reports**

The following report was received and read:

HOUSE BILL NO. 278—

BY REPRESENTATIVE BISHOP AND SENATOR ALLAIN
AN ACT

To amend and reenact R.S. 47:32(A), 241, 293(3) and (10), 295(B), 296.1(B)(3)(c) and (d), 300.1, 300.6(A), and 300.7(A), to enact R.S. 47:32.1, and to repeal R.S. 47:293(4) and (9)(a)(ii), 296.1(B)(3)(c), and 298, relative to the individual and fiduciary income tax; to reduce the rates for purposes of calculating individual and fiduciary income tax liability; to repeal the deductibility of federal income taxes paid for purposes of calculating individual and fiduciary income tax; to provide with respect to the deduction for excess federal itemized personal deductions; to provide for certain requirements and limitations; to authorize the reduction of certain rates under certain circumstances; to provide for applicability; to provide for an effective date; and to provide for related matters.

CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 278 by Representative Bishop recommend the following concerning the Reengrossed bill:

1. That Senate Committee Amendment Nos. 2, 3, and 4 by the Committee on Revenue and Fiscal Affairs (#2962) be rejected.
2. That Senate Committee Amendment Nos. 1 and 5 through 8 by the Committee on Revenue and Fiscal Affairs (#2962) be adopted.
3. That Senate Floor Amendment No. 1 by Senator Allain (#3170) be rejected.
4. That Senate Floor Amendment No. 2 by Senator Allain (#3170) be adopted.
5. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, after "295(B)," delete the remainder of the line in its entirety

AMENDMENT NO. 2

On page 1, line 4, after "(9)(a)(ii)," and before "and 298," delete "296.1(B)(3)(c)," and insert "296.1(B)(3)(c),"

AMENDMENT NO. 3

On page 1, line 13, after "295(B)," delete the remainder of the line in its entirety

AMENDMENT NO. 4

On page 2, delete lines 9 through 29 in their entirety and on page 3, delete lines 1 through 7 in their entirety and insert the following:

"A.(1) Beginning April 1, 2024, and each April first through 2034, if the prior fiscal year's actual individual income tax collections as reported in the state's accounting system exceed the actual individual income tax collections for the fiscal year ending June 30, 2019, as reported in the state's accounting system, adjusted annually by the growth factor provided for in Article VII, Section 10(C) of the Constitution, the individual income tax rate in R.S. 47:32 for the tax

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year beginning the following January first shall be reduced as provided in Paragraph (2) of this Subsection.

(2) The reduced rates shall be calculated by multiplying each current rate by the difference between one and the percentage change in individual income tax collections in excess of the individual income tax collections for Fiscal Year 2018-2019 adjusted annually by the growth factor as provided in Paragraph (1) of this Subsection. Rate reductions shall be made only if both of the following conditions are met:

(a) The prior fiscal year's actual total tax, licenses, and fees exceed the actual total tax, licenses, and fees for Fiscal Year 2018-2019, adjusted annually by the growth factor in Article VII, Section 10(C) of the Constitution of Louisiana.

(b) The Budget Stabilization Fund balance as determined by the treasurer is at least two and one-half percent of the total state revenue receipts from the prior fiscal year.

B. When the provisions of this Section require a reduction in the individual income tax rates, the secretary of the Department of Revenue shall publish the reduced rates, and shall include the reduced rates when publishing the tax tables pursuant to R.S. 47:295 and the withholding tables pursuant to R.S. 47:112.

C. The actual individual income tax collections and actual total tax, licenses, and fees used in the calculations required by this Section shall be certified by the Office of Statewide Reporting and Accounting Policy.

D. (1) "Growth factor provided for in Article VII, Section 10(C) of the Constitution" means the positive growth factor that is the most recent average annual percentage rate of change of personal income for Louisiana as defined and reported by the United States Department of Commerce for the three calendar years prior to the fiscal year in which this calculation is made.

(2) "Actual total tax, licenses, and fees" means actual total tax, licenses, and fees as reported to the Revenue Estimating Conference."

AMENDMENT NO. 5

On page 5, delete lines 24 through 28 in their entirety and on page 6, delete lines 1 through 7 in their entirety

AMENDMENT NO. 6

On page 7, line 6, after "(9)(a)(ii)," and before "and 298," delete "296.1(B)(3)(e)," and insert "296.1(B)(3)(c),"

Respectfully submitted,

Representatives:

Stuart J. Bishop
Neil Riser
Clay Schexnayder

Senators:

Patrick Page Cortez
R. L. Bret Allain II
W. Jay Luneau

Senator Allain moved to adopt the Conference Committee Report.

ROLL CALL

The roll was called with the following result:

YEAS

Mr. President	Harris	Morris
Abraham	Henry	Peacock
Allain	Hensgens	Peterson
Barrow	Hewitt	Pope
Bernard	Jackson	Price
Boudreaux	Johns	Reese
Bouie	Luneau	Smith
Cathey	McMath	Talbot
Cloud	Milligan	Tarver
Fesi	Mills, F.	Ward
Fields	Mills, R.	White
Foil	Mizell	Womack
Total - 36		

NAYS

Lambert
Total - 1

ABSENT

Connick
Total - 1

The Chair declared the Conference Committee Report was adopted.

Senator Allain moved to reconsider the vote by which the Conference Committee Report to House Bill No. 278 was adopted and laid the motion on the table.

Conference Committee Report

The following report was received and read:

HOUSE BILL NO. 292—

BY REPRESENTATIVE RISER

AN ACT

To amend and reenact R.S. 47:241 and 287.69 and to repeal R.S. 47:287.79, 287.83, 287.85, and 287.442(B)(1), relative to corporation income tax; to provide relative to the deductibility of federal income taxes; to repeal deductibility of federal income taxes paid for purposes of calculating corporate income taxes; to provide for applicability; to provide for an effective date; and to provide for related matters.

CONFERENCE COMMITTEE REPORT

June 9, 2021

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 292 by Representative Riser recommend the following concerning the Engrossed bill:

1. That Senate Committee Amendment Nos. 1, 2, and 4 by the Committee on Revenue and Fiscal Affairs (#2951) be rejected.
2. That Senate Committee Amendment Nos. 3 and 5 through 10 by the Committee on Revenue and Fiscal Affairs (#2951) be adopted.
3. That the set of Senate Floor Amendments by Senator Allain (#3182) be rejected.
4. That the following amendments be adopted:

AMENDMENT NO. 1

In Amendment No. 5 by the Senate Committee on Revenue and Fiscal Affairs (#2951), on page 1, delete lines 17 through 39 in their entirety and insert the following:

"C. On corporations. The tax to be assessed, levied, collected, and paid upon the ~~net taxable~~ income of every corporation shall be computed at the ~~rate of~~ rates provided for in R.S. 47:287.12.

~~(1) Four percentum upon the first twenty-five thousand dollars of net income:~~

~~(2) Five percentum upon the amount of net income above twenty-five thousand dollars but not in excess of fifty thousand dollars:~~

~~(3) Six percentum on the amount of net income above fifty thousand dollars but not in excess of one hundred thousand dollars:~~

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~~(4) Seven percentum on the amount of net income above one hundred thousand dollars but not in excess of two hundred thousand dollars.~~

~~(5) Eight percentum on all net income in excess of two hundred thousand dollars."~~

AMENDMENT NO. 2

In Amendment No. 5 by the Senate Committee on Revenue and Fiscal Affairs (#2951), on page 2, delete lines 20 through 35 in their entirety and insert the following:

"§287.12. Rates of tax

The tax to be assessed, levied, collected, and paid upon the Louisiana taxable income of every corporation shall be computed at the rate of:

(1) ~~Four~~ Three and one-half percent upon the first ~~twenty-five~~ fifty thousand dollars of Louisiana taxable income.

(2) ~~Five percent upon the amount of Louisiana taxable income above twenty-five thousand dollars but not in excess of fifty thousand dollars.~~

~~(3) Six~~ Five and one-half percent on the amount of Louisiana taxable income above fifty thousand dollars but not in excess of one hundred fifty thousand dollars.

~~(4)(3) Seven and one-half percent on the amount of Louisiana taxable income above one hundred fifty thousand dollars but not in excess of two hundred thousand dollars.~~

~~(5) Eight percent on all Louisiana taxable income in excess of two hundred thousand dollars."~~

AMENDMENT NO. 3

In Amendment No. 6 by the Senate Committee on Revenue and Fiscal Affairs (#2951), on page 2, between lines 38 and 39, insert the following:

"§287.442. Exceptions to taxable year of inclusion; taxable year deductions taken

* * *

B. Period for which deductions and credits shall be taken.

(1) ~~The taxable year in which to claim the federal income tax deduction allowed by R.S. 47:287.85 shall be determined as follows, regardless of the method of accounting regularly employed by the taxpayer:~~

~~(a) The federal income tax deduction may be claimed for the same taxable year in which the federal income tax sought to be deducted is incurred, provided the taxpayer files a federal income tax return for such taxable year or is included with affiliates in a consolidated federal income tax return for such taxable year.~~

~~(b)(i)(a)~~ Taxable year for adjustments to taxpayer's federal income tax return. Except as otherwise provided in this ~~Subparagraph~~ Paragraph, adjustments affecting federal taxable income which are made to the taxpayer's income tax return subsequent to filing, whether made because of a deficiency proposed by the government, a court order, an amended return, or other appropriate instrument or act, showing an overpayment or a deficiency shall be taken into account for purposes of this Part in the period for which the return was filed, unless the prescriptive period for the collection of tax or the refund or credit of overpayments, as the case may be, has expired. If the applicable prescriptive period has expired, the additional tax paid by the taxpayer in the case of an underpayment or the refund or credit received by the taxpayer in the case of an overpayment shall be for the taxable year such tax was paid, such refund was received, or such credit was allowed, as the case may be.

~~(ii)(b)~~ When a federal refund results from transactions or conditions which arise after the close of the taxable year for which the refund is made, such federal refund shall be taken into account, for purposes of this Part, for the taxable year in which arose the transactions or conditions causing the refund.

~~(c)(2)~~ Taking federal adjustments into account. A payment of additional federal tax upon income which has borne Louisiana tax shall be taken into account by decreasing taxable income. That portion, if any, of such additional federal tax payment which would be disallowed as a deduction under either R.S. 47:287.81 or R.S. 47:287.83 shall be excluded from such adjustment. Refunds or credits of federal overpayments, including refunds or credits created by the carryback of a federal net operating loss, shall be taken into account by increasing Louisiana net income or decreasing the Louisiana net

loss, as the case may be. That portion, if any, of the federal refund or credit of an overpayment which has not previously been charged against or deducted from Louisiana net income shall be excluded from such adjustment.

~~(d)(3)~~ Adjustments made to the Louisiana return. Adjustments to a return filed pursuant to this Part, whether initiated by the secretary or the taxpayer, shall be taken into account in the taxable year for which the return was filed in accordance with rules, regulations, or forms prescribed by the secretary.

~~(2)(4)~~ If a deduction is claimed and allowed in any period, the same deduction cannot again be claimed in a subsequent period in which it otherwise would be properly deductible, unless the taxpayer, prior to the running of prescription with respect to the first period, shall have amended his return for that period so as to eliminate the deduction and shall have paid any additional tax which may be due as a result thereof, together with any interest and penalties that may be applicable thereto.

* * *

AMENDMENT NO. 4

On page 1, line 2, after "reenact" delete the remainder of the line in its entirety and at the beginning of line 3, delete "and 287.442(B)(1)," and insert the following: "R.S. 47:32(C), 241, 287.12, 287.69, 287.442(B), and 287.732.2(B) and to repeal R.S. 47:55(5), 287.79, 287.83, 287.85, and 287.732.2(C)."

AMENDMENT NO. 5

On page 1, line 8, after "Section 1," and before "are" delete "R.S. 47:241 and 287.69" and insert "R.S. 47:32(C), 241, 287.12, 287.69, 287.442(B), and 287.732.2(B)"

AMENDMENT NO. 6

On page 2, line 24, after "Section 2." delete the remainder of the line in its entirety and insert the following: "R.S. 47:55(5), 287.79, 287.83, 287.85, and 287.732.2(C) are hereby repealed"

Respectfully submitted,

Representatives:

Neil Riser

Stuart J. Bishop

Gerald "Beau" Alphonse Beaulieu IV

Senators:

Patrick Page Cortez

R. L. Bret Allain II

Mike Reese

Senator Allain moved to adopt the Conference Committee Report.

ROLL CALL

The roll was called with the following result:

YEAS

Mr. President	Harris	Mizell
Abraham	Henry	Morris
Allain	Hensgens	Peacock
Barrow	Hewitt	Peterson
Bernard	Jackson	Pope
Boudreaux	Johns	Price
Bouie	Lambert	Reese
Cathey	Luneau	Smith
Cloud	McMath	Talbot
Fesi	Milligan	Ward
Fields	Mills, F.	White
Foil	Mills, R.	Womack

Total - 36

NAYS

Total - 0

ABSENT

Connick

Tarver

Total - 2

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June 10, 2021

The Chair declared the Conference Committee Report was adopted.

Senator Allain moved to reconsider the vote by which the Conference Committee Report to House Bill No. 292 was adopted and laid the motion on the table.

Conference Committee Report

The following report was received and read:

SENATE BILL NO. 159—

BY SENATOR ALLAIN AND REPRESENTATIVE BISHOP AND SENATOR JOHNS

A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to income tax; to provide a maximum rate of individual income tax; to provide with respect to the deductibility of federal income tax for purposes of computing state income tax; to eliminate the mandatory deduction for federal income taxes; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

CONFERENCE COMMITTEE REPORT

June 2, 2021

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 159 by Senator Allain recommend the following concerning the Engrossed bill:

1. That House Committee Amendment No. 1 proposed by the House Committee on Ways and Means and adopted by the House of Representatives on May 12, 2021, be adopted.
2. That House Committee Amendment No. 1 proposed by the House Committee on Civil Law and Procedure and adopted by the House of Representatives on May 19, 2021, be rejected.

Respectfully submitted,

Senators:
Patrick Page Cortez
R. L. Bret Allain II
W. Jay Luneau

Representatives:
Stuart J. Bishop
Neil Riser
Gerald "Beau" Alphonse Beaulieu IV

Senator Allain moved to adopt the Conference Committee Report.

ROLL CALL

The roll was called with the following result:

YEAS

Mr. President	Harris	Peacock
Abraham	Henry	Pope
Allain	Hensgens	Price
Barrow	Hewitt	Reese
Bernard	Jackson	Smith
Boudreaux	Johns	Talbot
Bouie	Luneau	Tarver
Cathey	McMath	Ward
Cloud	Milligan	White
Fesi	Mills, F.	Womack
Fields	Mills, R.	
Foil	Mizell	
Total - 34		

NAYS

Lambert
Total - 3

Morris

Peterson

ABSENT

Connick
Total - 1

The Chair declared the Conference Committee Report was adopted.

Senator Allain moved to reconsider the vote by which the Conference Committee Report to Senate Bill No. 159 was adopted and laid the motion on the table.

Appointment of Conference Committee on Senate Bill No. 142

The President of the Senate appointed the following members to confer with a like committee from the House to consider the disagreement on **Senate Bill No. 142**:

Senators Ward,
Cortez
and Smith.

Conference Committee Report

The following report was received and read:

HOUSE BILL NO. 457—

BY REPRESENTATIVE FIRMENT

AN ACT

To amend and reenact R.S. 22:1662(3), to enact R.S. 22:1674.1, and to repeal R.S. 22:1674, relative to insurance claims adjusters; to provide for the standards of conduct for claims adjusters; to require newly licensed claims adjusters and claims adjusters renewing their license to read and acknowledge the claims adjuster standards of conduct; to provide for penalties for violation of the standards of conduct; to provide an exemption from licensure for certain persons; and to provide for related matters.

CONFERENCE COMMITTEE REPORT

June 7, 2021

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 457 by Representative Firment recommend the following concerning the Reengrossed bill:

1. That Senate Committee Amendment No. 2 proposed by the Senate Committee on Insurance (#2282) be adopted.
2. That Senate Committee Amendment Nos. 1 and 3 proposed by the Senate Committee on Insurance (#2282) be rejected.
3. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, delete line 2 in its entirety and insert in lieu thereof the following: "To enact R.S. 22:1674.1 and to repeal R.S. 22:1674,"

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June 10, 2021

June 10, 2021

To the President and Members of the Senate:

I am directed by your Committee on Senate and Governmental Affairs to submit the following report:

The following Senate Bills have been properly enrolled:

SENATE BILL NO. 10—

BY SENATORS FIELDS, BARROW, BERNARD, BOUDREAUX, BOUIE, CATHEY, CONNICK, HARRIS, HEWITT, JACKSON, LUNEAU, MCMATH, MILLIGAN, FRED MILLS, ROBERT MILLS, MIZELL, PEACOCK, PETERSON, PRICE, SMITH, TALBOT AND TARVER AND REPRESENTATIVES ADAMS, BRYANT, GARY CARTER, ROBBY CARTER, WILFORD CARTER, COX, DUPLESSIS, FREEMAN, FREIBERG, GLOVER, GREEN, HILFERTY, JAMES, JEFFERSON, JENKINS, JORDAN, LANDRY, LARVADAIN, LYONS, MARINO, DUSTIN MILLER, MOORE, NEWELL, PHELPS, PIERRE, PRESSLY, SELDERS, STAGNI, THOMPSON AND WILLARD

AN ACT

To amend and reenact R.S. 17:151.3, 221(A)(1), and 222, and to enact R.S. 17:221(E), relative to compulsory school attendance; to provide for mandatory attendance in kindergarten; to provide for exceptions; to provide for effectiveness; and to provide for related matters.

SENATE BILL NO. 96—

BY SENATOR LAMBERT

AN ACT

To amend and reenact R.S. 30:2418(H)(1) and to enact R.S. 30:2418.1 and 2418.2, relative to the waste tire program in the Department of Environmental Quality; to authorize the establishment of standards, requirements, and permitting procedures; to provide for waste tire generators; to authorize the promulgation of rules, regulations, and guidelines; to require certain generators of waste tires to obtain generator identification numbers; to require certain transporters to obtain a certificate; to provide for criminal penalties; and to provide for related matters.

SENATE BILL NO. 128—

BY SENATORS JACKSON, BARROW, BOUDREAUX, FIELDS AND TARVER AND REPRESENTATIVES GARY CARTER, WILFORD CARTER, COX, HUGHES, JEFFERSON, JENKINS, TRAVIS JOHNSON, JONES, LARVADAIN, LYONS, MOORE, NEWELL, ORGERON, PIERRE, SELDERS, STAGNI AND WILLARD

AN ACT

To amend and reenact R.S. 17:434(A) and to enact R.S. 17:426, relative to teachers and other school employees; to provide relative to planning time and lunch periods for teachers; to provide for an uninterrupted planning period for teachers; to delete requirements for a duty-free lunch period for teachers; to provide for an exemption from tolls on the Louisiana Highway 1 Bridge for teachers, school bus drivers, and other school employees; and to provide for related matters.

SENATE BILL NO. 159—

BY SENATORS ALLAIN AND JOHNS AND REPRESENTATIVE BISHOP
A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to income tax; to provide a maximum rate of individual income tax; to provide with respect to the deductibility of federal income tax for purposes of computing state income tax; to eliminate the mandatory deduction for federal income taxes; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

SENATE BILL NO. 188—

BY SENATOR WOMACK AND REPRESENTATIVE THOMPSON

AN ACT

To amend and reenact R.S. 40:531(B)(2)(b) and 600.89(A)(1) and the introductory paragraph of (2), (c), and (e), relative to the Louisiana Housing Corporation and local housing authorities; to provide relative to the board of directors; to provide for the appointment of landlord commissioners; and to provide for related matters.

SENATE BILL NO. 87—

BY SENATOR CONNICK

A JOINT RESOLUTION

Proposing to amend Article VI, Section 39 of the Constitution of Louisiana, relative to taxing authority of levee districts; to provide for the millage limits on certain levee districts; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

SENATE BILL NO. 154—

BY SENATOR SMITH AND REPRESENTATIVES BOURRIAQUE, FARNUM, HUGHES, MCMAHEN, MINCEY, ORGERON AND WRIGHT

A JOINT RESOLUTION

Proposing to amend Article VII, Section 23(C) of the Constitution of Louisiana, relative to ad valorem property tax millage rate adjustments; to provide for maximum authorized millage rates; and to specify an election for submission of the proposition to electors and to provide a ballot proposition.

SENATE BILL NO. 148—

BY SENATORS CORTEZ, ABRAHAM, ALLAIN, BARROW, BERNARD, BOUDREAUX, CATHEY, CLOUD, FIELDS, FOIL, HARRIS, HENRY, HENSGENS, HEWITT, JACKSON, JOHNS, LAMBERT, LUNEAU, MCMATH, MILLIGAN, FRED MILLS, ROBERT MILLS, MIZELL, PEACOCK, POPE, PRICE, REESE, TALBOT, TARVER, WHITE AND WOMACK AND REPRESENTATIVES ADAMS, AMEDEE, BACALA, BAGLEY, BEAULLIEU, BISHOP, BOURRIAQUE, BRASS, BROWN, BRYANT, BUTLER, CARRIER, GARY CARTER, ROBBY CARTER, WILFORD CARTER, CORMIER, COUSSAN, COX, CREWS, DAVIS, DEVILLIER, DUBUISSON, DUPLESSIS, ECHOLS, EDMONDS, EMERSON, FARNUM, FIRMENT, FONTENOT, FREEMAN, FREIBERG, FRIEMAN, GADBERRY, GAINES, GAROFALO, GLOVER, GOUDEAU, GREEN, HARRIS, HILFERTY, HODGES, HOLLIS, HORTON, HUGHES, HUVAL, ILLG, JEFFERSON, JENKINS, TRAVIS JOHNSON, JONES, JORDAN, KERNER, LACOMBE, LANDRY, LARVADAIN, MACK, MAGEE, MARINO, MCCORMICK, MCKNIGHT, MCMAHEN, MIGUEZ, GREGORY MILLER, MINCEY, MOORE, MUSCARELLO, NELSON, NEWELL, ORGERON, CHARLES OWEN, ROBERT OWEN, PHELPS, PIERRE, PRESSLY, ROMERO, SCHAMERHORN, SCHEXNAYDER, SCHLEGEL, SEABAUGH, SELDERS, ST. BLANC, STAGNI, STEFANSKI, TARVER, THOMAS, THOMPSON, TURNER, VILLIO, WHEAT, WHITE, WRIGHT AND ZERINGUE

AN ACT

To enact Chapter 20-G of Title 17 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 17:3047 through 3047.7, relative to the M.J. Foster Promise Program; to establish the program; to provide for program awards including establishing eligibility requirements and award amount limitations; to provide for funding and administration of the program; and to provide for related matters.

SENATE BILL NO. 161—

BY SENATOR ALLAIN

AN ACT

To amend and reenact R.S. 47:601(A)(introductory paragraph) and 601.1(A)(1) and to enact R.S. 47:601(D) and 601.2, relative to the corporation franchise tax and the suspension of the corporation franchise tax on the first three hundred thousand dollars of taxable capital for small business corporations; to provide for the applicable tax periods of the suspension; to provide for the rates of tax; to provide an automatic rate reduction trigger; to provide for effectiveness; and to provide for related matters.

34th DAY'S PROCEEDINGS**Page 123 SENATE**

June 10, 2021

the Department of Economic Development to promulgate rules; to provide for definitions; to provide for effectiveness; and to provide for related matters.

and they are hereby presented for executive approval.

Respectfully submitted,
YOLANDA J. DIXON
Secretary of the Senate

Message to the Secretary of State**SIGNED
SENATE BILLS**

June 11, 2021

To the Honorable Secretary of State:

The President of the Senate and the Speaker of the House of Representatives have signed the following Senate Bills:

SENATE BILL NO. 87—

BY SENATOR CONNICK

A JOINT RESOLUTION

Proposing to amend Article VI, Section 39 of the Constitution of Louisiana, relative to taxing authority of levee districts; to provide for the millage limits on certain levee districts; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

SENATE BILL NO. 154—

BY SENATOR SMITH AND REPRESENTATIVES BOURRIQUE, FARNUM, HUGHES, MCMAHEN, MINCEY, ORGERON AND WRIGHT

A JOINT RESOLUTION

Proposing to amend Article VII, Section 23(C) of the Constitution of Louisiana, relative to ad valorem property tax millage rate adjustments; to provide for maximum authorized millage rates; and to specify an election for submission of the proposition to electors and to provide a ballot proposition.

SENATE BILL NO. 159—

BY SENATORS ALLAIN AND JOHNS AND REPRESENTATIVE BISHOP

A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to income tax; to provide a maximum rate of individual income tax; to provide with respect to the deductibility of federal income tax for purposes of computing state income tax; to eliminate the mandatory deduction for federal income taxes; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Respectfully submitted,
YOLANDA J. DIXON
Secretary of the Senate

Message to the Governor**SIGNED SENATE BILLS**

June 11, 2021

To the Honorable Governor of the State of Louisiana:

The President of the Senate and the Speaker of the House of Representatives have signed the following Senate Bills:

SENATE BILL NO. 31—

BY SENATOR CATHEY

AN ACT

To enact R.S. 47:293(9)(a)(xx) and 297.16, relative to individual income tax exemptions; to provide for an individual income tax exemption for digital nomads; to provide for definitions; to provide for eligibility requirements; to authorize the Department of Revenue to promulgate rules; to provide for record keeping requirements; to provide for recovery of the tax exemption by the Department of Revenue; to provide for effectiveness; and to provide for related matters.

SENATE BILL NO. 142—

BY SENATORS WARD, CORTEZ AND JOHNS

AN ACT

To enact R.S. 4:199, R.S. 27:625(G), and 628 and R.S. 28:843, relative to sports wagering; to provide relative to revenue generated from sports wagering; to provide for appropriation; to create the Behavioral Health and Wellness Fund; to create the Sports Wagering Purse Supplement Fund; to create the Sports Wagering Local Allocation Fund; and to provide for related matters.

SENATE BILL NO. 197—

BY SENATOR CATHEY

AN ACT

To enact R.S. 47:1925.13, relative to assessors; to provide relative to an automobile expense allowance; to provide relative to requirements and funding of such allowance; to require an affidavit verifying nonuse; and to provide for related matters.

SENATE BILL NO. 221—

BY SENATORS HEWITT, CATHEY, CLOUD, CORTEZ, HENRY, MCMATH, MILLIGAN, ROBERT MILLS, MORRIS, PEACOCK, TALBOT AND WOMACK

AN ACT

To amend and reenact R.S. 18:18(A)(7), 1351, 1352, 1353(B), the introductory paragraph of (C) and (C)(2), and (D), 1361, 1362(A), 1364(A), and 1400.21(C), to enact R.S. 18:1362.1, 1362.2, and 1366 and R.S. 36:744(O) and (P), and to repeal R.S. 18:553.1, 1351(5), and 1365, relative to oversight of voting systems; to provide for definitions; to provide for promulgation of rules and standards; to provide for appointments; to provide for legislative oversight; to provide for an evaluation authority; to provide for membership; to provide for reporting requirements; to provide for evaluation criteria; to provide certain requirements relative to funds used to acquire voting systems; and to provide for related matters.

SENATE BILL NO. 247— (Substitute of Senate Bill No. 202 by Senator Cortez)

BY SENATORS CORTEZ, JOHNS AND WARD AND REPRESENTATIVE STEFANSKI

AN ACT

To amend and reenact R.S. 13:4721, R.S. 14:90.5(A), (B), and (C), R.S. 27:15(B)(1), 15.1, 24(A)(5) and (6), the introductory paragraph of 27.1(C), 44(9), (11), and (13), 58(5), 65(B)(11), 205(11) and (12), 239.1, 353(2) and (5), 361(F), 364(A)(1)(c)(ii) and (5), 371(C), 372(B) and (C), and 375(D), 417(A)(2)(introductory paragraph), and R.S. 46:1816(B)(8), to enact R.S. 14:90(E) and 90.3(K) and R.S. 27:15(B)(8)(c), 205(35), 249.1, Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 27:601 through 611, and 627, and to repeal R.S. 27:24(A)(5)(f), relative to sports wagering; to provide for definitions; to require a license to conduct sports wagering; to provide relative to duties and powers of the Louisiana Gaming Control Board and the gaming division in the office of state police; to provide for requirements and limitations on licensees and permittees; to authorize cash wagers; to authorize racehorse wagering at certain licensees; to

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

STATE OF TEXAS, STATE OF MISSISSIPPI,	§	
STATE OF LOUISIANA,	§	
	§	
Plaintiffs,	§	
	§	Case No. 2:21-cv-00079-Z
v.	§	
	§	
JANET YELLEN, IN HER OFFICIAL CAPACITY	§	
AS SECRETARY OF THE TREASURY, ET AL.,	§	
	§	
Defendants.	§	
	§	

**APPENDIX IN SUPPORT OF PLAINTIFFS’ COMBINED RESPONSE TO
DEFENDANTS’ MOTION TO DISMISS AND MOTION FOR PARTIAL SUMMARY
JUDGMENT**

DECLARATION OF JEFFREY M. WHITE

Webster’s New World College Dictionary (5th ed. 2016) (excerpts)

EXHIBIT A-25

WEBSTER'S NEW WORLD[®]

COLLEGE DICTIONARY

FIFTH EDITION

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ADSL • adverb

ADSL abbrev. asymmetric digital subscriber line**ad-sorb** (ad sôrb', -zôrb') *vt.* [*<* AD- + *L. sorbere*: see **ABSORB**] to collect (a gas, liquid, or dissolved substance) in condensed form on a surface —**ad-sorb-a-ble** *adj.***ad-sorb-ate** (ad sôrb'it, -zôrb'-; -bât') *n.* a gas, liquid, etc. taken up by adsorption**ad-sorb-ent** (ad sôrb'ant, -zôrb'-) *adj.* that is capable of adsorbing —*n.* a thing or substance that adsorbs**ad-sorp-tion** (ad sôrp'shən, -zôrp'-) *n.* [*<* **ADSORB**, by analogy with **ABSORPTION**] an adsorbing or being adsorbed; adhesion of the molecules of a gas, liquid, or dissolved substance to a surface —**ad-sorp-tive** *adj.***ad-su-ki-bean** (ad sôô'kē, -zôô'-) *ADZUKI BEAN***ad-u-lar-i-a** (a'jôô ler'é ə, -jə-) *n.* [*It < Fr adulaire*, after *Adula*, a group of mountains in Switzerland + *-aire*, *-ary*] a transparent or translucent variety of orthoclase**ad-u-late** (a'jôô lāt', -jə-) *vt.* -lat'ed, -lat'ing [*<* *L. adulatus*, pp. of *adulari*, to fawn upon, orig., to wag the tail < *ad-*, to + **ulos*, tail < *IE *ulo* < base **wel-* > *WALK*: cf. **WHEEDLE**] 1 to praise too highly or flatter servilely 2 to admire intensely or excessively —**ad-u-la'tion** *n.* —**ad-u-la'tor** *n.* —**ad-u-la-to-ry** (-lə tôr'ē) *adj.***a-dult** (ə dult', ad'ult') *adj.* [*L. adultus*, pp. of *adolescere*: see **ADOLESCENT**] 1 mature in age, size, strength, etc.; grown-up 2 of or for adult persons (an adult novel) 3 containing or providing sexually explicit or, esp., pornographic material [adult movies] —*n.* 1 a man or woman who is fully mature; grown-up 2 an animal or plant that is fully developed 3 a person who has reached the age of majority, now generally 18 years —*SYN.* **RIPE** —**a-dult-hood** *n.* —**a-dult-ness** *n.***adult education** CONTINUING EDUCATION**a-dul-ter-ant** (ə dult'tər ənt) *n.* a substance that adulterates —*adj.* adulterating; making inferior or impure**a-dul-ter-ate** (ə dult'tər āt'; for *adj.*, -tər it) *vt.* -at'ed, -at'ing [*<* *L. adulteratus*, pp. of *adulterare*, to falsify < *adulter*, an adulterer, counterfeiter < *ad-*, to + *alter*, other, another] to make inferior, impure, not genuine, etc. by adding a harmful, less valuable, or prohibited substance —*adj.* 1 guilty of adultery; adulterous 2 adulterated; not genuine —**a-dul-ter-a'tor** *n.***a-dul-ter-at-ed** (-āt'id) *adj.* 1 made inferior, impure, etc. by adulterating 2 that does not conform to legal standards of purity, processing, labeling, etc. **a-dul-ter-a-tion** (ə dult'tər ā'shən) *n.* 1 an adulterating or being adulterated 2 an adulterated substance, commodity, etc.**a-dul-ter-er** (ə dult'tər ər) *n.* [altered, after *L. adulterare*, from *ME* *avouter*, *avouter* < *OFr* *avouter* < *avouter*, to commit adultery < *L. adulterare*: see **ADULTERATE**] a person (esp. a man) guilty of adultery**a-dul-ter-ess** (ə dult'tər is, ə dult'tris) *n.* a woman guilty of adultery**a-dul-ter-ine** (ə dult'tər in, -tər in') *adj.* [*L. adulterinus* < *adulter*: see **ADULTERATE**] 1 of adultery 2 due to adulteration**a-dul-ter-ous** (ə dult'tər əs, -dult'trəs) *adj.* relating to, characterized by, or guilty of, adultery —**a-dul-ter-ous-ly** *adv.***a-dul-ter-y** (ə dult'tər ē, -dult'trē) *n., pl. -ter-ies* [*L. adulterium* < *adulter*: see **ADULTERATE**] voluntary sexual intercourse between a married man and a woman not his wife, or between a married woman and a man not her husband: see also **FORNICATION****ad-um-bral** (ad um'brəl) *adj.* [see *fol.*] in shadow; shady**ad-um-brate** (ad um'brāt', ad'əm brāt') *vt.* -brat'ed, -brat'ing [*<* *L. ad-umbratus*, pp. of *adumbrare*, to shade < *ad-*, to + *umbra*, *SHADE*] 1 to outline in a shadowy way; sketch 2 to suggest beforehand; foreshadow in a vague way 3 to obscure; overshadow —**ad-um-br-a'tion** (-brā'shən) *n.* —**ad-um-br-a-tive** (-brā tiv) *adj.***ad-un-cate** (ad un'kāt', -kit; ə dun'f-) *adj.* [*L. aduncus* < *ad-*, to + *uncus*, hooked, a hook < *IE* base **ang-*, **ank-*: see **ANGLE**] curved or hooked, as a parrot's beak**a-dust** (ə dust') *adj.* [*L. adustus*, pp. of *adurere*, to burn up < *ad-*, to + *urere*, to burn: see **EMBER**] [Archaic] 1 scorched; burned 2 parched 3 sunburned 4 sallow and melancholy**A-du-wa** (äd'ə wə, ad'-) *var. of* **ADWA****adv** abbrev. 1 ad valorem 2 advance 3 adverb 4 advertisement 5 advisory 6 [*L. adversus*] against**ad va-lo-rem** (ad' və lôr'əm) [*L.*] in proportion to the value: a phrase applied to certain duties and taxes levied on goods, property, etc. as a percentage of their value: abbrev. **ad val.****ad-vance** (ad vāns', əd-) *vt.* -vānced', -vānc'ing [*ME* *avancen* < *OFr* *avancer*, to forward < *VL* **abantiare* < *L. ab-*, from + *ante*, before: sp. *ad-* by assoc. with *L. ad*, to, forward] 1 to bring forward; move forward [to advance a chessman] 2 to raise in rank, importance, etc.; promote 3 to help or hasten the success or completion of; further [to advance a project] 4 to put forward; propose 5 to bring closer to the present; specif., a) to cause (a future event) to happen earlier b) to assign a later date to (a past event) 6 to raise the rate of; increase [to advance prices] 7 to pay (money) before due 8 to lend —*vi.* 1 to go forward; move ahead 2 to make progress; improve; develop 3 to rise in rank, importance, etc. 4 to rise in price or cost; increase —*n.* 1 a moving forward 2 an improvement; progress [new advances in science] 3 a rise in value or cost 4 [*pl.*] approaches to get favor, become acquainted, etc.; overtures (to someone) 5 a payment made before due, as of wages 6 a loan —*adj.* 1 in front [advance guard] 2 beforehand; ahead of time [advance information] —*in advance* 1 in front 2 before due; ahead of time —**ad-vanc'er** *n.**SYN.* —**advance** is used to describe assistance in hastening the course of anything or in moving toward an objective; to **promote** is to help in the establishment, development, or success of something [to promote good will]; **forward** emphasizes the idea of action as an impetus [concessions were made to forward the pact]; **further** emphasizes assistance in bringing a desired goal closer [to further a cause] —*ANT.* **retard, check****ad-vanc-ed** (ad vāns't, əd-) *adj.* 1 moved forward; in front [an advanced military post] 2 far on in time or in a course of action or events [despite his advanced age, at an advanced stage in the trial] 3 a) ahead or beyond others in progress, complexity, etc. [advanced studies] b) ahead of the times [her advanced views on education] —*SYN.* **LIBERAL*****ad-vanc-ed credit (or standing)** credit toward a degree allowed to a student by a college for courses taken elsewhere or for high scores on preliminary examinations**advance guard** a detachment of troops sent ahead to reconnoiter and protect the line of march***ad-vance man** a person hired to travel in advance of a theatrical company, political candidate, etc. to arrange for publicity, schedule appearances, etc. **ad-vance-ment** (ad vāns'mənt, əd-) *n.* 1 an advancing or being advanced 2 promotion, as to a higher rank 3 progress or improvement; furtherance 4 Law money or property given as an advance share in the estate of a person who later dies without making a will: it is deducted from the total share of the recipient in the intestate's estate**ad-van-tage** (ad vānt'ij, əd-) *n.* [*ME* *avantage*, *avauntage* < *OFr* *avantage* < *avant*, before < *L. ab-* + *ante*: see **ADVANCE**] 1 a more favorable position; superiority: often with *of* or *over* 2 a favorable or beneficial circumstance, event, etc. 3 gain or benefit 4 *Tennis* the first point scored after deuce —*vt.* -taged, -tag-ing to give an advantage to; be a benefit or aid to —**have the advantage of** to have an advantage over —**take advantage of** 1 to make use of for one's own benefit 2 to impose upon in a selfish way —**to advantage** so as to result in a good effect**ad-van-tag-ed** (-ijd) *adj.* characterized by certain, esp. socioeconomic, advantages [advanced students within a school district]**ad-van-ta-geous** (ad'vān tā'jəs, -vān-) *adj.* resulting in advantage; favorable; profitable —**ad-van-ta-geous-ly** *adv.***ad-vec-tion** (ad vek'shən) [*AD-* + *CONVECTION*] the transference of heat by horizontal currents of air —**ad-vec-tive** (-tiv) *adj.***Ad-vent** (ad'vent') *n.* [*ME* & *OFr* *avent* < *ML* *adventus* < pp. of *L. advenire*, to come < *ad-*, to + *venire*, come] 1 the period including the four Sundays just before Christmas 2 *Theol.* a) the birth of Christ b) **SECOND COMING** 3 [a-] a coming or arrival***Ad-vent-ism** (ad'vān tiz'əm) *n.* the belief that the Second Coming of Christ will occur soon***Ad-vent-ist** (ad'vān tist, ad'vent'ist) *n.* a member of a Christian sect based on Adventism —*adj.* of Adventism or Adventists**ad-ven-ti-ti-a** (ad'ven tish'ə, -tish'ē ə; -vān-) *n.* [*ModL* < *L.* for *adventicia*, neut. pl. of *adventicius*: see *fol.*] the outer covering of an organ, as of an artery: it is made up chiefly of connective tissue**ad-ven-ti-tious** (ad'ven tish'əs, -vān-) *adj.* [*L. adventicius*, coming from abroad: see **ADVENT**] 1 added from outside; not inherent; accidental 2 occurring in unusual or abnormal places [adventitious roots growing on a stem] —*SYN.* **ACCIDENTAL** —**ad-ven-ti-tious-ly** *adv.* —**ad-ven-ti-tious-ness** *n.***ad-ven-tive** (ad ven'tiv) *adj.* [*L. adventus* (see **ADVENT**) + *-ive*] not native to the environment; rarely or imperfectly naturalized —*n.* an adventive plant or animal**Advent Sunday** the first Sunday in Advent**ad-ven-ture** (ad ven'chər, əd-) *n.* [*ME* *aventure* < *OFr* < *VL* **adventura*, lit., a happening < *L. advenire*: see **ADVENT**] 1 the encountering of danger 2 a daring, hazardous undertaking 3 an unusual, stirring experience, often of a romantic nature 4 a venture or speculation in business or finance 5 a liking for danger, excitement, etc. [a man full of adventure] —*vt.* -tured, -tur-ing [Archaic] 1 to put in danger; risk; venture 2 to be bold about; dare —*vi.* 1 to engage in daring undertakings 2 to take a risk**ad-ven-tur-er** (ad ven'chər ər, əd-) *n.* 1 a person who has or likes to have adventures 2 **SOLDIER OF FORTUNE** (sense 1) 3 a financial speculator 4 a person who seeks to become rich, powerful, etc. by dubious schemes**ad-ven-ture-some** (ad ven'chər səm, əd-) *adj.* willing to take risks; adventurous**ad-ven-tur-ess** (ad ven'chər is, əd-) *n.* a woman adventurer, specif. one who seeks to become rich and socially accepted by exploiting her charms, by scheming, etc.**ad-ven-tur-ism** (ad ven'chər iz'əm, əd-) *n.* actions or tactics, esp. in politics or international relations, that are regarded as recklessly daring and involving the risk of serious consequences —**ad-ven-tur-ist** *n., adj.* —**ad-ven-tur-is'tic** *adj.***ad-ven-tur-ous** (ad ven'chər əs, əd-) *adj.* [*ME* *aventurous* < *OFr* *aventurosus* < *aventure*, *ADVENTURE*] 1 fond of adventure; willing to take chances; daring 2 full of danger; risky —**ad-ven-tur-ous-ly** *adv.* —**ad-ven-tur-ous-ness** *n.***ad-verb** (ad'vərb') *n.* [*ME* *adverbe* < *L. adverbium* < *ad-*, to + *verbum*, a word] any of a class of words used generally to modify a verb, an adjective, another adverb, a phrase, or a clause, by expressing time, place, manner, degree, cause, etc.: English adverbs often end in *-ly* (Ex.: *fast, carefully, then*)